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THE PRESIDENCY

No. 529 18 May 2016

It is hereby notified that the President has assented to the following Act, which is hereby published for general information:—

Act No. 3 of 2016: Division of Revenue Act, 2016

MO-PRESIDENTE

No. 529 18 May 2016

Mo go tsebiswa gore Mo-Presidente o dumetse molao o latelago, wona o tla gatiswa e le tsebiso ya kakaretso:—

Nmr 3 ya 2016: Molao wa Karoganyo ya Letseno, 2016



AIDS HELPLINE: 0800-0123-22 Prevention is the cure

(English text signed by the President)
(Assented to 17 May 2016)

ACT

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2016/17 financial year, the determination of each province's equitable share and allocations to provinces, local government and municipalities from national government's equitable share and the responsibilities of all three spheres pursuant to such division and allocations; and to provide for matters connected therewith.

PREAMBLE

WHEREAS section 214(1) of the Constitution of the Republic of South Africa, 1996, requires an Act of Parliament to provide for—

- (a) the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
- (b) the determination of each province's equitable share of the provincial share of that revenue; and
- (c) any other allocations to provinces, local government or municipalities from the national government's share of that revenue, and any conditions on which those allocations may be made;

WHEREAS section 7(3) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), requires the introduction of the Division of Revenue Bill at the same time as the Appropriation Bill is introduced,

BE IT THEREFORE ENACTED by the Parliament of the Republic of South Africa, as follows:—

ARRANGEMENT OF PROVISIONS OF ACT

Sections

CHAPTER 1

5

INTERPRETATION AND OBJECTS OF ACT

- 1. Interpretation
- 2. Objects of Act

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

10

- 3. Equitable division of revenue raised nationally among spheres of government

4

4. Equitable division of provincial share among provinces
5. Equitable division of local government share among municipalities
6. Shortfalls and excess revenue

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES 5

Part 1

Conditional allocations

7. Conditional allocations to provinces
8. Conditional allocations to municipalities

Part 2

10

Duties of accounting officers in respect of Schedule 4 to 7 allocations

9. Duties of transferring officer in respect of Schedule 4 allocations
10. Duties of transferring officer in respect of Schedule 5 or 6 allocations
11. Duties of receiving officer in respect of Schedule 4 allocations
12. Duties of receiving officer in respect of Schedule 5 or 7 allocations 15
13. Duties of receiving officer in respect of infrastructure conditional allocations to provinces
14. Infrastructure conditional allocations to metropolitan municipalities
15. Duties in respect of annual financial statements and annual reports for 2016/17

Part 3

20

Matters relating to Schedule 4 to 7 allocations

16. Publication of allocations and frameworks
17. Expenditure in terms of purpose and subject to conditions
18. Withholding of allocations
19. Stopping of allocations 25
20. Reallocation of funds
21. Conversion of allocations
22. Unspent conditional allocations

CHAPTER 4

MATTERS RELATING TO ALL ALLOCATIONS 30

23. Payment requirements
24. Amendment of payment schedule
25. Transfers made in error or fraudulently
26. New allocations during financial year and Schedule 7 allocations
27. Preparations for 2017/18 financial year and 2018/19 financial year 35
28. Transfers before commencement of Division of Revenue Act for 2017/18 financial year

CHAPTER 5

DUTIES AND POWERS OF MUNICIPALITIES, PROVINCIAL TREASURIES AND NATIONAL TREASURY

- | | | |
|-----|--|---|
| 29. | Duties of municipalities | |
| 30. | Duties and powers of provincial treasuries | 5 |
| 31. | Duties and powers of National Treasury | |

CHAPTER 6

GENERAL

- | | | |
|-----|---|----|
| 32. | Liability for costs incurred in violation of principles of cooperative governance and intergovernmental relations | 10 |
| 33. | Irregular expenditure | |
| 34. | Financial misconduct | |
| 35. | Delegations and assignments | |
| 36. | Exemptions | |
| 37. | Regulations | 15 |
| 38. | Transitional measures for municipal election in 2016 | |
| 39. | Repeal of laws and savings | |
| 40. | Short title and commencement | |

SCHEDULE 1

Equitable division of revenue raised nationally among the three spheres of government 20

SCHEDULE 2

Determination of each province's equitable share of the provincial sphere's share of revenue raised nationally (as a direct charge against the National Revenue Fund)

SCHEDULE 3

Determination of each municipality's equitable share of the local government sphere's share of revenue raised nationally 25

SCHEDULE 4

Part A

Allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets 30

Part B

Allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets

SCHEDULE 5

Part A

35

Specific purpose allocations to provinces

Part B

Specific purpose allocations to municipalities

8

SCHEDULE 6

Part A

Allocations-in-kind to provinces for designated special programmes

Part B

Allocations-in-kind to municipalities for designated special programmes 5

SCHEDULE 7

Part A

Allocations to provinces for immediate disaster response

Part B

Allocations to municipalities for immediate disaster response 10

CHAPTER 1

INTERPRETATION AND OBJECTS OF ACT

Interpretation

1. (1) In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act or the Municipal Finance Management Act has the meaning assigned to it in the Act in question, and—

“**accreditation**” means accreditation of a municipality, in terms of section 10(2) of the Housing Act, 1997 (Act No. 107 of 1997), to administer national housing programmes, read with Part 3 of the National Housing Code, 2009 (Financial Interventions: Accreditation of Municipalities); 20

“**allocation**” means the equitable share allocation to the national sphere of government in Schedule 1, a province in Schedule 2 or a municipality in Schedule 3, or a conditional allocation;

“**category A, B or C municipality**” means a category A, B or C municipality envisaged in section 155(1) of the Constitution; 25

“**conditional allocation**” means an allocation to a province or municipality from the national government’s share of revenue raised nationally, envisaged in section 214(1)(c) of the Constitution, as set out in Schedule 4, 5, 6 or 7;

“**Constitution**” means the Constitution of the Republic of South Africa, 1996; 30

“**corporation for public deposits account**” means a bank account of the Provincial Revenue Fund held with the Corporation for Public Deposits, established by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984);

“**disaster**” means a national, provincial or local state of disaster declared in terms of section 27, 41 or 55 of the Disaster Management Act, 2002 (Act No. 57 of 2002); 35

“**Education Infrastructure Grant**” means the Education Infrastructure Grant referred to in Part A of Schedule 4;

“**financial year**” means, in relation to—

(a) a national or provincial department, the year ending 31 March; or

(b) a municipality, the year ending 30 June; 40

“**framework**” means the conditions and other information in respect of a conditional allocation published in terms of section 16 or 26;

“**Health Facility Revitalisation Grant**” means the Health Facility Revitalisation Grant referred to in Part A of Schedule 5;

“**Human Settlements Development Grant**” means the Human Settlements Development Grant referred to in Part A of Schedule 5; 45

“**Integrated City Development Grant**” means the Integrated City Development Grant referred to in Part B of Schedule 4;

“**Integrated National Electrification Programme Grant**” means the Integrated National Electrification Programme Grant referred to in Part B of Schedule 5 or Part B of Schedule 6; 50

- “legislation”** means national legislation or provincial legislation as defined in section 239 of the Constitution;
- “level one accreditation”** means accreditation to render beneficiary management, subsidy budget planning and allocation, and priority programme management and administration, of national housing programmes; 5
- “level three accreditation”** means an executive assignment to administer all aspects, including financial administration, of national housing programmes;
- “level two accreditation”** means accreditation to render full programme management and administration of all housing instruments and national housing programmes in addition to the responsibilities under a level one accreditation; 10
- “Maths, Science and Technology Grant”** means the Maths, Science and Technology Grant referred to in Part A of Schedule 5;
- “medium term expenditure framework”** means a budgeting framework applied by the National Treasury which—
- (a) translates government policies and plans into a multi-year spending plan; and 15
- (b) promotes transparency, accountability and effective public financial management;
- “metropolitan municipality”** means a metropolitan municipality as defined in section 1 of the Municipal Structures Act;
- “Municipal Finance Management Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); 20
- “Municipal Structures Act”** means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- “Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000); 25
- “Neighbourhood Development Partnership Grant”** means the Neighbourhood Development Partnership Grant referred to in Part B of Schedule 5 or Part B of Schedule 6;
- “organ of state”** means an organ of state as defined in section 239 of the Constitution; 30
- “overpayment”** means the transfer of more than the allocated amount of an allocation or the transfer of an allocation not in accordance with a payment schedule;
- “payment schedule”** means a schedule which sets out—
- (a) the amount of each transfer of a provincial equitable share or a conditional allocation for a province or municipality to be transferred in terms of this Act; 35
- (b) the date on which each transfer must be paid; and
- (c) to whom, and to which bank account, each transfer must be paid;
- “prescribe”** means prescribe by regulation in terms of section 37;
- “primary bank account”** in relation to— 40
- (a) a province, means a bank account of the Provincial Revenue Fund, envisaged in section 21(2) of the Public Finance Management Act and which the accounting officer of the provincial treasury has certified to the National Treasury; or
- (b) a municipality, means the bank account of the municipality as determined in terms of section 8 of the Municipal Finance Management Act; 45
- “Provincial Roads Maintenance Grant”** means the Provincial Roads Maintenance Grant referred to in Part A of Schedule 4;
- “Public Finance Management Act”** means the Public Finance Management Act, 1999 (Act No. 1 of 1999); 50
- “Public Transport Network Grant”** means the Public Transport Network Grant referred to in Part B of Schedule 5;
- “Public Transport Operations Grant”** means the Public Transport Operations Grant referred to in Part A of Schedule 4;
- “quarter”** means, in relation to— 55
- (a) a national or provincial department, the period from—
- (i) 1 April to 30 June;
- (ii) 1 July to 30 September;
- (iii) 1 October to 31 December; or
- (iv) 1 January to 31 March; or 60
- (b) a municipality—
- (i) 1 July to 30 September;
- (ii) 1 October to 31 December;

- (iii) 1 January to 31 March; or
- (iv) 1 April to 30 June;

“receiving officer” means, in relation to—

- (a) a Schedule 4, 5 or 7 allocation transferred to a province, the accounting officer of the provincial department which receives that allocation or a portion thereof for expenditure via an appropriation from its Provincial Revenue Fund; or
- (b) a Schedule 4, 5 or 7 allocation transferred or provided in kind to a municipality, the accounting officer of the municipality;

“receiving provincial department” in relation to a Schedule 4, 5 or 7 allocation transferred to a province, means the provincial department which receives that allocation or a portion thereof for expenditure via an appropriation from its Provincial Revenue Fund;

“School Infrastructure Backlogs Grant” means the School Infrastructure Backlogs Grant referred to in Part A of Schedule 6;

“this Act” includes any framework or allocation published, or any regulation made, in terms of this Act;

“transferring officer” means the accounting officer of a national department that transfers a Schedule 4, 5 or 7 allocation to a province or municipality or spends a Schedule 6 allocation on behalf of a province or municipality;

“Urban Settlements Development Grant” means the Urban Settlements Development Grant referred to in Part B of Schedule 4;

“working day” means any day except a Saturday, a Sunday or a public holiday as defined in the Public Holidays Act, 1994 (Act No. 36 of 1994).

- (2) Any approval, certification, decision, determination, instruction, notification, notice or request in terms of this Act must be in writing.

Objects of Act

2. The objects of this Act are—

- (a) as required by section 214(1) of the Constitution, to provide for—
 - (i) the equitable division of revenue raised nationally among the three spheres of government;
 - (ii) the determination of each province’s equitable share of the provincial share of that revenue;
 - (iii) other allocations to provinces, local government or municipalities from the national government’s share of that revenue and conditions on which those allocations are made;
- (b) to promote predictability and certainty in respect of all allocations to provinces and municipalities, in order that provinces and municipalities may plan their budgets over a multi-year period and thereby promote better coordination between policy, planning and budgeting; and
- (c) to promote transparency and accountability in the resource allocation process, by ensuring that all allocations, except Schedule 6 allocations, are reflected on the budgets of provinces and municipalities and the expenditure of conditional allocations is reported on by the receiving provincial departments and municipalities.

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

Equitable division of revenue raised nationally among spheres of government

3. (1) Revenue raised nationally in respect of the 2016/17 financial year must be divided among the national, provincial and local spheres of government as set out in Column A of Schedule 1. 5

(2) The envisaged division among the national, provincial and local spheres of government of revenue anticipated to be raised nationally in respect of the 2017/18 financial year and the 2018/19 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 1. 10

Equitable division of provincial share among provinces

4. (1) Each province's equitable share of the provincial share of revenue raised nationally in respect of the 2016/17 financial year is set out in Column A of Schedule 2.

(2) The envisaged equitable share for each province of revenue anticipated to be raised nationally in respect of the 2017/18 financial year and the 2018/19 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 2. 15

(3) The National Treasury must transfer each province's equitable share referred to in subsection (1) to the corporation for public deposits account of the province in accordance with the payment schedule determined in terms of section 23. 20

Equitable division of local government share among municipalities

5. (1) Each municipality's equitable share of local government's share of revenue raised nationally in respect of the 2016/17 financial year is set out in Column A of Schedule 3.

(2) The envisaged equitable share for each municipality of revenue anticipated to be raised nationally in respect of the 2017/18 financial year and the 2018/19 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 3. 25

(3) The national department responsible for local government must, subject to section 38(3), transfer a municipality's equitable share referred to in subsection (1) to the primary bank account of the municipality in three transfers on 4 July 2016, 1 December 2016 and 17 March 2017, in the amounts determined in terms of section 23(2). 30

Shortfalls and excess revenue

6. (1) If the actual revenue raised nationally in respect of the 2016/17 financial year falls short of the anticipated revenue set out in Column A of Schedule 1, the national government bears the shortfall. 35

(2) If the actual revenue raised nationally in respect of the 2016/17 financial year exceeds the anticipated revenue set out in Column A of Schedule 1, the excess accrues to the national government, and may be used to reduce borrowing or pay debt as part of its share of revenue raised nationally. 40

(3) A portion of national government's equitable share or excess revenue envisaged in subsection (2), may be appropriated through the applicable legislation envisaged in section 12 of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), to make further allocations to—

- (a) national departments; or 45
- (b) provinces or municipalities.

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

Conditional allocations

Conditional allocations to provinces 5

7. (1) Conditional allocations to provinces for the 2016/17 financial year from the national government's share of revenue raised nationally are set out in—
- (a) Part A of Schedule 4, specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets; 10
 - (b) Part A of Schedule 5, specifying specific purpose allocations to provinces; 10
 - (c) Part A of Schedule 6, specifying allocations-in-kind to provinces for designated special programmes; and
 - (d) Part A of Schedule 7, specifying funds that are not allocated to specific provinces, that may be released to provinces to fund an immediate response to a disaster. 15
- (2) An envisaged division of conditional allocations to provinces from the national government's share of revenue anticipated to be raised nationally for the 2017/18 financial year and the 2018/19 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 20

Conditional allocations to municipalities

8. (1) Conditional allocations to municipalities in respect of the 2016/17 financial year from the national government's share of revenue raised nationally are set out in—
- (a) Part B of Schedule 4, specifying allocations to municipalities to supplement the funding of functions funded from municipal budgets; 25
 - (b) Part B of Schedule 5, specifying specific purpose allocations to municipalities; 25
 - (c) Part B of Schedule 6, specifying allocations-in-kind to municipalities for designated special programmes; and
 - (d) Part B of Schedule 7, specifying funds that are not allocated to specific municipalities that may be released to municipalities to fund an immediate response to a disaster. 30
- (2) An envisaged division of conditional allocations to municipalities from the national government's share of revenue anticipated to be raised nationally for the 2017/18 financial year and the 2018/19 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 35
- (3) If approved by the National Treasury after consultation with the national Department of Transport, allocations for specific transport contracts for capital projects from the envisaged conditional allocations for the Public Transport Network Grant listed in Column B of Part B of Schedule 5, may not be altered downwards in the Division of Revenue Acts for the 2017/18 financial year and 2018/19 financial year. 40
- (4) (a) A municipality may, only with the approval of the National Treasury pledge, offer as security or commit to a person or institution any envisaged conditional allocation to the municipality for the 2017/18 financial year and the 2018/19 financial year, for the purpose of securing a loan or any other form of financial or other support from that person or institution. 45

- (b) Before making a decision, the National Treasury must—
- (i) notify the relevant transferring officer of the approval sought by a municipality and that the officer may submit comment to the National Treasury regarding the approval sought, within five working days after notification or such longer period as the National Treasury may approve; and 5
 - (ii) consider any comment so submitted by the officer.
- (c) A municipality must report on any project pledged to be partially or fully funded in terms of paragraph (a) in the format and on the dates determined by the National Treasury.

Part 2

10

Duties of accounting officers in respect of Schedule 4 to 7 allocations

Duties of transferring officer in respect of Schedule 4 allocations

9. (1) The transferring officer of a Schedule 4 allocation must—
- (a) ensure that transfers to all provinces and municipalities are—
 - (i) deposited only into the primary bank account of the relevant province or municipality; and 15
 - (ii) made in accordance with the payment schedule determined in terms of section 23, unless allocations are withheld or stopped in terms of section 18 or 19;
 - (b) monitor information on financial and non-financial performance of programmes partially or fully funded by an allocation in Part A of Schedule 4, in accordance with subsection (2) and the applicable framework;
 - (c) monitor information on financial and non-financial performance of the Urban Settlements Development Grant and Integrated City Development Grant against the capital budget and the service delivery and budget implementation plan; 25
 - (d) comply with the applicable framework;
 - (e) submit a quarterly financial and non-financial performance report within 45 days after the end of each quarter to the National Treasury in terms of the applicable framework; and 30
 - (f) evaluate the performance of programmes funded or partially funded by the allocation and the submission of such evaluations to the National Treasury—
 - (i) in respect of a provincial department, within four months after the end of the 2016/17 financial year of the provincial department; and
 - (ii) in respect of a municipality, within four months after the end of the 2016/17 financial year of the municipality. 35
- (2) Any monitoring programme or system that is utilised to monitor information on financial and non-financial performance of a programme partially or fully funded by a Schedule 4 allocation must—
- (a) be approved by the National Treasury; 40
 - (b) not impose any excessive administrative responsibility on receiving officers beyond the provision of standard management and budget information;
 - (c) be compatible and integrated with and not unnecessarily duplicate other relevant national, provincial and local systems; and
 - (d) support compliance with section 11(2). 45
- (3) A transferring officer may only transfer the Urban Settlements Development Grant to a recipient metropolitan municipality, if the municipality has submitted a built environment performance plan in terms of section 14(1).

Duties of transferring officer in respect of Schedule 5 or 6 allocations

- 10.** (1) The transferring officer of a Schedule 5 or 6 allocation must—
- (a) not later than 14 days after this Act takes effect, certify to the National Treasury that—
 - (i) any monitoring or system that is utilised, is compatible and integrated with and does not duplicate other relevant national, provincial and local systems; and 5
 - (ii) in respect of a Schedule 5 allocation, any plans requested in respect of how allocations will be utilised by a province or municipality, as the case may be, have been approved before the start of the financial year. 10
 - (b) in respect of Schedule 5 allocations—
 - (i) transfer funds only after receipt of all information required to be submitted by the receiving officer in terms of this Act and submission of all relevant information to the National Treasury;
 - (ii) transfer funds in accordance with the payment schedule determined in terms of section 23, unless allocations are withheld or stopped in terms of section 18 or 19; and 15
 - (iii) deposit funds only into the primary bank account of the relevant province or municipality; and
 - (c) ensure that all other provisions of this Act and the relevant framework for the transfer of the allocation are complied with. 20
- (2) The transferring officer must submit all relevant information and documentation referred to in subsection (1)(a) to the National Treasury within 14 days after this Act takes effect.
- (3) A transferring officer, who has not complied with subsection (1), must transfer the allocation in the manner instructed by the National Treasury, including transferring the allocation as an unconditional allocation. 25
- (4) Before making the first transfer of any allocation in terms of subsection (1)(b), the transferring officer must take note of any notice in terms of section 31(1) containing the details of the relevant primary bank accounts. 30
- (5) The transferring officer of a Schedule 5 allocation to a municipality is responsible for monitoring financial and non-financial performance information on programmes funded by the allocation.
- (6) The transferring officer of a Schedule 5 or 6 allocation must, as part of the reporting envisaged in section 40(4)(c) of the Public Finance Management Act, submit information, in the format determined by the National Treasury, for the month in question, and for the 2016/17 financial year up to the end of that month, on— 35
- (a) the amount of funds transferred to a province or municipality;
 - (b) the amount of funds for any province or municipality withheld or stopped in terms of section 18 or 19, the reasons for the withholding or stopping and the steps taken by the transferring officer and the receiving officer to deal with the matters or causes that necessitated the withholding or stopping of the payment; 40
 - (c) the actual expenditure incurred by the province or municipality in respect of a Schedule 5 allocation; 45
 - (d) the actual expenditure incurred by the transferring officer in respect of a Schedule 6 allocation;
 - (e) any matter or information that may be required by the relevant framework for the particular allocation; and
 - (f) such other matters as the National Treasury may determine. 50
- (7) A transferring officer must submit to the National Treasury—
- (a) a monthly provincial report on infrastructure expenditure partially or fully funded by the Health Facility Revitalisation Grant, National Health Insurance Indirect Grant, School Infrastructure Backlogs Grant or Maths, Science and Technology Grant within 22 days after the end of each month, in the format determined by the National Treasury; and 55

- (b) a quarterly performance report of all programmes partially or fully funded by a Schedule 5 or 6 allocation within 45 days after the end of each quarter, in accordance with the relevant framework.
- (8) The transferring officer must evaluate the performance of all programmes partially or fully funded by a Schedule 5 or 6 allocation and submit such evaluations to the National Treasury—
 - (a) in respect of a provincial department, within four months after the end of the 2016/17 financial year of the provincial department; and
 - (b) in respect of a municipality, within four months after the end of the 2016/17 financial year of the municipality.
- (9) The transferring officer for the Public Transport Network Grant, Neighbourhood Development Partnership Grant or Integrated National Electrification Programme Grant to a metropolitan municipality—
 - (a) may only transfer the grant if the municipality has submitted a built environment performance plan in terms of section 14(1);
 - (b) must take into account that built environment performance plan when monitoring and evaluating the performance of the municipality and assessing envisaged plans and allocations for the municipality.
- (10) The transferring officer of the Human Settlements Development Grant may only transfer the grant to a province after the relevant receiving officer has complied with section 12(6)(a) and (b).

Duties of receiving officer in respect of Schedule 4 allocations

11. (1) The receiving officer of a Schedule 4 allocation is responsible for—
- (a) complying with the relevant framework for the Schedule 4 allocation; and
 - (b) the manner in which the Schedule 4 allocation received from a transferring officer is allocated and spent.
- (2) The receiving officer of a municipality must—
- (a) ensure and certify to the National Treasury that the municipality—
 - (i) indicates each programme partially or fully funded by a Schedule 4 allocation in its annual budget and that the Schedule 4 allocation is specifically and exclusively appropriated in that budget for utilisation only according to the purpose of the allocation; and
 - (ii) makes public, in terms of section 21A of the Municipal Systems Act, the conditions and other information in respect of the allocation, to facilitate performance measurement and the use of required inputs and outputs;
 - (b) when submitting the municipality's statements in terms of section 71 of the Municipal Finance Management Act for September 2016, December 2016, March 2017 and June 2017, report to the transferring officer, the relevant provincial treasury and the National Treasury—
 - (i) in respect of the Urban Settlements Development Grant and the Integrated City Development Grant, on financial performance against its capital budget and the measures defined in its service delivery and budget implementation plan; and
 - (ii) in respect of any other Schedule 4 allocation, on financial performance of programmes partially or fully funded by the allocation;
 - (c) within 30 days after the end of each quarter, report to the transferring officer and the National Treasury—
 - (i) in respect of the Urban Settlements Development Grant and the Integrated City Development Grant, on non-financial performance for that quarter against the measures defined in its service delivery and budget implementation plan; and
 - (ii) in respect of any other Schedule 4 allocation, on non-financial performance of programmes partially or fully funded by the allocation.
- (3) The National Treasury must make the report submitted to it in terms of subsection (2)(b) or (c) available to the transferring officer of the Urban Settlements Development Grant, Public Transport Network Grant and Integrated National Electrification Programme Grant and the accounting officer of any other national department having responsibilities relating to the applicable allocation.

- (4) The receiving officer of a provincial department must submit to the relevant provincial treasury and the transferring officer—
- (a) as part of the report required in section 40(4)(c) of the Public Finance Management Act, reports on financial and non-financial performance of programmes partially or fully funded by a Schedule 4 allocation; 5
 - (b) a quarterly non-financial performance report of programmes partially or fully funded by a Schedule 4 allocation within 30 days after the end of each quarter; and
 - (c) a monthly provincial report on infrastructure programmes partially or fully funded by a Schedule 4 allocation within 15 days after the end of each month, in the format determined by the National Treasury. 10
- (5) The receiving officer must report on programmes partially or fully funded by a Schedule 4 allocation against the relevant framework in its annual financial statements and annual report.
- (6) The receiving officer must evaluate the financial and non-financial performance of the provincial department or municipality, as the case may be, in respect of programmes partially or fully funded by a Schedule 4 allocation and submit such evaluation to the transferring officer and the relevant provincial treasury within two months— 15
- (a) in respect of a provincial department, after the end of the 2016/17 financial year of the provincial department; and 20
 - (b) in respect of a municipality, after the end of the 2016/17 financial year of the municipality.

Duties of receiving officer in respect of Schedule 5 or 7 allocations

- 12.** (1) The receiving officer of a Schedule 5 or 7 allocation must ensure compliance with the relevant framework. 25
- (2) The relevant receiving officer must, in respect of a Schedule 5 or 7 allocation transferred to—
- (a) a province, as part of the report required in section 40(4)(c) of the Public Finance Management Act, report on the matters referred to in subsection (3) and submit a copy of that report to the relevant provincial treasury and the transferring officer; 30
 - (b) a municipality, as part of the report required in terms of section 71 of the Municipal Finance Management Act, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant transferring officer; and 35
 - (c) a province or municipality, submit a quarterly non-financial performance report within 30 days after the end of each quarter to the transferring officer and the relevant provincial treasury.
- (3) A report for a province in terms of subsection (2)(a) must set out for the month in question and for the 2016/17 financial year up to the end of the month— 40
- (a) the amount received by the province;
 - (b) the amount of funds stopped or withheld in terms of section 18 or 19 and the reason for the stopping or withholding;
 - (c) the actual expenditure by the province in respect of Schedule 5 and 7 allocations; 45
 - (d) the amount transferred to any national or provincial public entity to implement a programme funded by a Schedule 5 allocation on behalf of a province or to assist the province in implementing the programme;
 - (e) the available figures regarding the expenditure by a public entity referred to in paragraph (d); 50
 - (f) the extent of compliance with this Act and with the conditions of the allocation provided for in its framework, based on the available information at the time of reporting;
 - (g) an explanation of any material difficulties experienced by the province regarding an allocation which has been received and a summary of the steps taken to deal with such difficulties; 55

- (h) any matter or information that may be determined in the framework for the allocation; and
- (i) such other matters and information as the National Treasury may determine.
- (4) A report for a municipality in terms of subsection (2)(b) must set out for the month in question and for the 2016/17 financial year up to the end of the month— 5
 - (a) the amount received by the municipality;
 - (b) the amount of funds stopped or withheld in terms of section 18 or 19 and the reason for the stopping or withholding;
 - (c) the extent of compliance with this Act and with the conditions of the allocation or part of the allocation provided for in its framework; 10
 - (d) an explanation of any material problems experienced by the municipality regarding an allocation which has been received and a summary of the steps taken to deal with such problems;
 - (e) any matter or information that may be determined in the framework for the allocation; and 15
 - (f) such other matters and information as the National Treasury may determine.
- (5) The receiving officer must evaluate the financial and non-financial performance of the provincial department or municipality, as the case may be, in respect of programmes partially or fully funded by a Schedule 5 allocation and submit such evaluation to the transferring officer and the relevant provincial treasury within two months— 20
 - (a) in respect of a provincial department, after the end of the 2016/17 financial year of the provincial department; and
 - (b) in respect of a municipality, after the end of the 2016/17 financial year of the municipality.
- (6) (a) The receiving officer of the Human Settlements Development Grant must, in consultation with the transferring officer, publish in the *Gazette* within 14 days after this Act takes effect, the planned expenditure from the Human Settlements Development Grant, for the 2016/17 financial year, the 2017/18 financial year and the 2018/19 financial year per municipality with level one or level two accreditation. 25
- (b) The planned expenditure must indicate the expenditure to be undertaken directly by the province and transfers to each municipality. 30
- (c) The receiving officer of the Human Settlements Development Grant may, by notice in the *Gazette*, after taking into account the performance of the municipality and after consultation with the affected municipality and in consultation with the transferring officer, amend the planned expenditure for that municipality published in terms of paragraph (a). 35

Duties of receiving officer in respect of infrastructure conditional allocations to provinces

- 13.** (1) The receiving officer of the Education Infrastructure Grant, Health Facility Revitalisation Grant, Human Settlements Development Grant or Provincial Roads Maintenance Grant must— 40
- (a) submit to the relevant provincial treasury a list of all infrastructure projects partially or fully funded by the relevant grant over the medium term expenditure framework for tabling as part of the estimates of provincial expenditure in the provincial legislature in the format determined by the National Treasury; 45
 - (b) within seven days after the tabling in the legislature, submit the list to the transferring officer and the National Treasury;
 - (c) after consultation with the provincial treasury and the transferring officer, submit any amendments to the list, together with reasons for the amendments, to the provincial treasury for tabling with the adjusted estimates of provincial expenditure; 50
 - (d) within seven days after the tabling in the legislature, submit the amended list to the transferring officer and the National Treasury;

- (e) report on all infrastructure expenditure partially or fully funded by the relevant grant to the transferring officer, relevant provincial treasury and the National Treasury in the format and on the date determined by the National Treasury;
- (f) within 15 days after the end of each month, submit to the relevant provincial treasury and transferring officer, a draft report on infrastructure programmes partially or fully funded from those grants in the format determined by the National Treasury; 5
- (g) within 22 days after the end of each month, submit to the National Treasury, a final draft report on infrastructure programmes partially or fully funded from those grants; 10
- (h) within 29 days after the end of each month, submit to the relevant provincial treasury, the transferring officer and the National Treasury, a final report; and
- (i) within two months after the end of the 2016/17 financial year—
 - (i) evaluate the financial and non-financial performance of the province in respect of programmes partially or fully funded by the grant based on the infrastructure budget of the province; and 15
 - (ii) submit the evaluation to the transferring officer, the relevant provincial treasury and the National Treasury.
- (2) The receiving officer of the Education Infrastructure Grant or Health Facility Revitalisation Grant must— 20
 - (a) within 15 days after the end of each quarter, submit to the transferring officer and the relevant provincial treasury a draft report on the filling of posts on the approved establishment for the infrastructure unit of the affected provincial department in a format determined by the National Treasury; 25
 - (b) within 22 days after the end of each quarter, submit to the National Treasury, a final draft report on the filling of posts on the approved establishment for the infrastructure unit of the affected provincial department;
 - (c) within 29 days after the end of each quarter, submit to the transferring officer, the relevant provincial treasury and the National Treasury, a final report on the filling of posts on the approved establishment for the infrastructure unit of the affected provincial department; and 30
 - (d) ensure that projects comply with infrastructure delivery management best practice standards and guidelines, as identified and approved by the National Treasury. 35

Infrastructure conditional allocations to metropolitan municipalities

- 14.** (1) The receiving officer of a metropolitan municipality must, by 27 May 2016, submit to the National Treasury a built environment performance plan that includes all projects partially or fully funded by—
- (a) the Integrated City Development Grant, Urban Settlements Development Grant, Public Transport Network Grant, Neighbourhood Development Partnership Grant or Integrated National Electrification Programme Grant referred to in Part B of Schedule 5; and 40
 - (b) money allocated for the Human Settlements Development Grant received from a province. 45
- (2) The built environment performance plan, referred to in subsection (1), must—
- (a) be in the format determined by the National Treasury, including information on the project pipeline for catalytic urban development projects;

(b) demonstrate that the planned expenditure in the municipality's integration zones from all the grants referred to in subsection (1)(a) collectively, increases annually; and

(c) be approved by its municipal council.

(3) The National Treasury must, within seven days after the submission in terms of subsection (1), make available each built environment performance plan to all affected transferring officers and provincial departments. 5

(4) (a) The receiving officer must report in its annual financial statements on the expenditure from each of the grants mentioned in subsection (1)(a) in each integration zone of the municipality against its built environment performance plan. 10

(b) The transferring officer of the Integrated National Electrification Programme Grant referred to in Part B of Schedule 6 must report in its annual financial statements on the expenditure in each integration zone of every municipality against the built environment performance plan of the municipality.

Duties in respect of annual financial statements and annual reports for 2016/17 15

15. (1) The 2016/17 financial statements of a national department responsible for transferring an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation—

(a) indicate the total amount of that allocation transferred to a province or municipality; 20

(b) indicate any transfer withheld or stopped in terms of section 18 or 19 in respect of each province or municipality and the reason for the withholding or stopping;

(c) indicate any transfer not made in accordance with the payment schedule or amended payment schedule, unless withheld or stopped in terms of section 18 or 19, and the reason for the non-compliance; 25

(d) indicate any reallocations by the National Treasury in terms of section 20;

(e) certify that all transfers to a province or municipality were deposited into the primary bank account of a province or municipality; and

(f) indicate the funds, if any, utilised for the administration of the allocation by the receiving officer. 30

(2) The 2016/17 annual report of a national department responsible for transferring an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation indicate—

(a) the reasons for the withholding or stopping of all transfers to a province or municipality in terms of section 18 or 19; 35

(b) the extent that compliance with this Act by provinces or municipalities was monitored;

(c) the extent that the allocation achieved its objectives and outputs; and

(d) any non-compliance with this Act, and the steps taken to address the non-compliance. 40

(3) The 2016/17 financial statements of a provincial department responsible for receiving an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation—

(a) indicate the total amount of all allocations received; 45

(b) indicate the total amount of actual expenditure on each Schedule 5 or 7 allocation; and

(c) certify that all transfers of allocations in Schedules 4, 5 and 7 to the province were deposited into the primary bank account of the province.

(4) The 2016/17 annual report of a provincial department receiving an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation— 50

(a) indicate the extent that the provincial department complied with this Act;

(b) indicate the steps taken to address non-compliance with this Act;

(c) indicate the extent that the allocation achieved its objectives and outputs;

- (d) contain any other information that may be specified in the framework for the allocation; and
 - (e) contain such other information as the National Treasury may determine.
- (5) The 2016/17 financial statements and annual report of a municipality receiving an allocation in Schedule 4, 5 or 7 must be prepared in accordance with the Municipal Finance Management Act. 5
- (6) The National Treasury may determine how transferring officers and receiving officers must report on conditional allocations to municipalities within 30 days after the end of each quarter to facilitate the audit of the allocations for the 2016/17 financial year.

Part 3

10

Matters relating to Schedule 4 to 7 allocations

Publication of allocations and frameworks

16. (1) The National Treasury must, within 14 days after this Act takes effect, publish by notice in the *Gazette*—
- (a) the conditional allocations per municipality for Part B of Schedule 5 15 allocations;
 - (b) the indicative conditional allocations per province for Part A of Schedule 6 allocations and per municipality for Part B of Schedule 6 allocations; and
 - (c) the framework for each conditional allocation in Schedules 4 to 7.
- (2) For purposes of correcting an error or omission in an allocation or framework 20 published in terms of subsection (1)(a) or (c), the National Treasury must—
- (a) on its initiative and after consultation with the relevant transferring officer; or
 - (b) at the written request of the relevant transferring officer,
- by notice in the *Gazette*, amend the affected allocation or framework.
- (3) The National Treasury may, after consultation with the relevant transferring officer 25 and by notice in the *Gazette*, amend an indicative conditional allocation in Schedule 6 published in terms of subsection (1)(b).
- (4) Before amending a framework in terms of subsection (2), the National Treasury must submit the proposed amendment to Parliament for comment for a period of 14 days when Parliament is in session. 30
- (5) An amendment in terms of subsection (2) or (3) takes effect on the date of publication of the notice in the *Gazette*.

Expenditure in terms of purpose and subject to conditions

17. (1) Despite a provision of other legislation to the contrary, an allocation referred to in Schedules 4 to 7 may only be utilised for the purpose stipulated in the Schedule 35 concerned and in accordance with the applicable framework.
- (2) A receiving officer may not transfer any portion of a Schedule 5 allocation to any other organ of state for the performance of a function to be funded by the allocation, unless before the transfer is made, the receiving officer and the organ of state agree to a payment schedule, the receiving officer has notified the transferring officer and the 40 National Treasury approves the agreed payment schedule and—
- (a) the transfer—
 - (i) is approved in the budget for the receiving provincial department or municipality; or
 - (ii) if not so approved— 45
 - (aa) the receiving officer notifies the National Treasury that the purpose of the transfer is not to artificially inflate the expenditure estimates of the relevant provincial department or municipality and indicates the reasons for the transfer; and
 - (bb) the National Treasury approves the transfer; or 50

- (b) the transfer is for the payment for services or goods procured in accordance with the supply chain management policy or procurement policy of the relevant province or municipality and, if it is an advance payment, paragraph (a)(ii) applies with the necessary changes.
- (3) For purposes of the implementation of a Schedule 6 allocation to a municipality—
 - (a) Eskom Holdings Limited may receive funds directly from the transferring officer of the Department of Energy; 5
 - (b) a water board, as defined in section 1 of the Water Services Act, 1997 (Act No. 108 of 1997), may receive funds directly from the transferring officer of the Department of Water and Sanitation. 10
- (4) (a) For purposes of the Human Settlements Development Grant, a receiving officer and a municipality with level one, two or three accreditation as at 1 April 2016, must, by the date determined by the National Treasury, comply with subsection (2) by—
 - (i) entering into a payment schedule; and
 - (ii) submitting the payment schedule to the National Treasury. 15
 - (b) If a municipality receives accreditation after 1 April 2016, the National Treasury may approve that paragraph (a) applies.
 - (c) If the transfer of the Human Settlements Development Grant to a municipality with level three accreditation is withheld or stopped in terms of section 18 or 19, the receiving officer must request the National Treasury to amend the payment schedule in terms of section 24. 20
- (5) If a function which is partially or fully funded by a conditional allocation to a province is assigned to a municipality, as envisaged in section 10 of the Municipal Systems Act—
 - (a) the funds from the conditional allocation for the province for the function must be stopped in terms of section 19 and reallocated in terms of section 20 to the municipality which has been assigned the function; 25
 - (b) if possible, the province must finalise any project or fulfil any contract regarding the function before the date the function is assigned and, if not finalised, the province must notify the relevant municipality and the National Treasury; 30
 - (c) any project or contract regarding the function not finalised or fulfilled at the date at which the function is assigned, must be subjected to an external audit and the province and the municipality must enter into an agreement to complete the project or fulfil the contract through ceding it to the municipality; 35
 - (d) money that is retained by the province for any contract related to the function that is not ceded to the municipality must be spent by 31 March 2017 and will not be available in terms of section 30 of the Public Finance Management Act or section 22(2); 40
 - (e) the receiving officer of the province must submit to the transferring officer and the National Treasury a list of liabilities attached to the function, that were not transferred to the municipality, within seven days after the function is assigned to provide for the adjustment of the applicable allocations; and
 - (f) the receiving officer of the municipality must, within one month from the date of the stopping of funds in paragraph (a), submit to the transferring officer a revised plan for its planned expenditure. 45

Withholding of allocations

- 18.** (1) Subject to subsections (2) and (3), a transferring officer may withhold the transfer of a Schedule 4 or 5 allocation, or any portion thereof, for a period not exceeding 30 days, if— 50
- (a) the province or municipality does not comply with any provision of this Act;
 - (b) roll-overs of conditional allocations approved by the National Treasury in terms of section 22 have not been spent; or
 - (c) a satisfactory explanation is not given for significant under-expenditure on previous transfers during the 2016/17 financial year. 55

(2) If an allocation is withheld in terms of subsection (1), it suspends the applicable payment schedule approved in terms of section 23(3) until it is amended in terms of section 24.

(3) The amount withheld in terms of this section in the case of the Health Professions Training and Development Grant or the National Tertiary Services Grant listed in Part A of Schedule 4 may not exceed five per cent of the next transfer as contained in the relevant payment schedule. 5

(4) A transferring officer must, at least seven working days before withholding an allocation in terms of subsection (1)—

(a) give the relevant receiving officer— 10

- (i) notice of the intention to withhold the allocation; and
- (ii) an opportunity to submit written representations as to why the allocation should not be withheld; and

(b) inform the relevant provincial treasury and the National Treasury, and in respect of any conditional allocation to a municipality, also the provincial department responsible for local government. 15

(5) A notice envisaged in subsection (4) must include the reasons for withholding the allocation and the intended duration of the withholding to inform the amendment of the payment schedule in terms of section 24.

(6) (a) The National Treasury may instruct, or approve a request from, the transferring officer to withhold an allocation in terms of subsection (1) for a period longer than 30 days, but not exceeding 120 days, if the withholding will— 20

- (i) facilitate compliance with this Act; or
- (ii) minimise the risk of under-spending.

(b) When requesting the withholding of an allocation in terms of this subsection, a transferring officer must submit to the National Treasury proof of compliance with subsection (4) and any representations received from the receiving officer. 25

(c) The transferring officer must again comply with subsection (4) when the National Treasury instructs or approves a request by the transferring officer in terms of paragraph (a). 30

Stopping of allocations

19. (1) Despite section 18, the National Treasury may, in its discretion or on request of a transferring officer or a receiving officer stop the transfer of a Schedule 4 or 5 allocation, or a portion thereof, to a province or municipality—

(a) in the case of— 35

- (i) a province, if a serious or persistent material breach of this Act, as envisaged in section 216(2) of the Constitution, occurs; or

(ii) a municipality, if—

(aa) a serious or persistent material breach of this Act, as envisaged in section 216(2) of the Constitution, read with section 38(1)(b)(i) of the Municipal Finance Management Act, occurs; or 40

(bb) a breach or failure to comply, as envisaged in section 38(1)(b)(ii) of the Municipal Finance Management Act occurs;

(b) if the National Treasury anticipates that a province or municipality will substantially underspend on the allocation, or any programme, partially or fully funded by the allocation, in the 2016/17 financial year; or 45

(c) for purposes of the assignment of a function from a province to a municipality, as envisaged in section 10 of the Municipal Systems Act;

(2) The National Treasury must, before stopping an allocation in terms of subsection (1)(a)(i) or (b)— 50

(a) comply with the procedures in section 18(4)(a); and

(b) inform the relevant provincial treasury of its intention to stop the allocation.

(3) The National Treasury must, before stopping an allocation in terms of subsection (1)(a)(ii), comply with the applicable provisions of section 38 of the Municipal Finance Management Act. 55

(4) The National Treasury must give notice in the *Gazette* of the stopping of an allocation in terms of this section and include in the notice the effective date of, and reason for, the stopping.

(5) (a) If—

- (i) an allocation, or any portion thereof, is stopped in terms of subsection (1)(a) or (b); and
- (ii) the relevant transferring officer certifies in writing to the National Treasury that the payment of an amount in terms of a statutory or contractual obligation is overdue and the allocation, or a portion thereof, was intended for payment of the amount,

the National Treasury may, by notice in the *Gazette*, approve that the allocation, or any portion thereof, be utilised to pay that amount partially or fully.

(b) The utilisation of funds envisaged in this subsection is a direct charge against the National Revenue Fund.

Reallocation of funds

20. (1) When a Schedule 4 or 5 allocation or a portion thereof is stopped in terms of section 19(1)(a) or (b), the National Treasury may, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation must be spent by the end of the 2016/17 financial year.

(2) (a) When a Schedule 4 or 5 allocation, or a portion thereof, is stopped in terms of section 19(1)(c), the National Treasury must, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to the affected municipalities, on condition that the allocation must be spent by the end of the 2016/17 financial year.

(b) The portion of the allocation reallocated in terms of paragraph (a) is, with effect from the notice in the *Gazette* in terms of subsection (3)(a), regarded as having been converted to an allocation in Part B of the same Schedule it appears before the reallocation.

(3) (a) If the transferring officer of a Schedule 6 allocation indicates in writing to the National Treasury that a portion of the allocation is likely to be underspent, or needs to be reprioritised to meet a priority, the National Treasury may, at the request of the transferring officer, determine that the portion be reallocated, as the same type of allocation as it was allocated originally, to a provincial department of another province or to another municipality.

(b) Before requesting a reallocation, the transferring officer must notify the affected provincial department or municipality of the proposed reallocation and give the provincial department or municipality at least 14 days to provide comments and propose changes.

(c) When making a request in terms of paragraph (a), the transferring officer must submit to the National Treasury comments and proposed changes provided by the affected provincial department or municipality in terms of paragraph (b).

(d) The reallocated portion must be spent by the end of the 2016/17 financial year.

(e) The reallocated portion is regarded as having been converted to an allocation to the relevant provincial department or municipality with effect from the date of the notice in the *Gazette* in terms of subsection (4)(a).

(4) (a) The National Treasury must—

- (i) give notice in the *Gazette* of a reallocation in terms of subsection (1), (2) or (3); and
- (ii) provide a copy of the notice to the transferring officer and each affected receiving officer.

(b) The reallocation of a portion of an allocation not spent by the end of 2016/17 financial year is eligible for a roll-over in terms of section 22(2).

(5) (a) When an intervention in terms of section 100 or 139 of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act takes place, the National Treasury may, despite subsection (1) and on such conditions as it may determine, authorise in relation to—

- (i) section 100 of the Constitution, the transferring officer to spend an allocation stopped in terms of section 19 on behalf of the relevant province; 5
- (ii) section 139 of the Constitution or section 137 or 139 of the Municipal Finance Management Act, the intervening province to spend an allocation stopped in terms of section 19 of this Act on behalf of the relevant municipality; or
- (iii) section 150 of the Municipal Finance Management Act, the relevant transferring officer to spend an allocation stopped in terms of section 19 on behalf of the relevant municipality. 10

(b) An allocation that is spent by the transferring officer or intervening province referred to in paragraph (a) must, for the purposes of this Act, be regarded as a Schedule 6 allocation from the date on which the authorisation is given. 15

(6) (a) On a joint request by the transferring officer and the National Disaster Management Centre, established by section 8 of the Disaster Management Act, 2002 (Act No. 57 of 2002), the National Treasury may approve that a conditional allocation in Schedule 4, 5 or 6, or a portion thereof, be reallocated to pay for the alleviation of the impact of a disaster or the reconstruction or rehabilitation of infrastructure damage caused by a disaster. 20

(b) Before the National Treasury approves a reallocation, the receiving officer of the conditional allocation in Schedule 4 or 5 or the transferring officer of a Schedule 6 allocation must confirm that the affected funds are not committed in terms of any statutory or contractual obligation. 25

(c) The reallocated funds must be used in the 2016/17 financial year in the same sphere the allocation was originally made and for the same functional area that the original allocation relates to.

(d) The transferring officer must determine the conditions for spending the reallocated funds, after consultation with the National Disaster Management Centre and with the approval of the National Treasury. 30

(e) Subsection (4) applies with the necessary changes to a reallocation in terms of this subsection to another province or municipality.

Conversion of allocations

21. (1) If satisfied that— 35

- (a) the conversion will prevent under-expenditure or improve the level of service delivery in respect of the allocation in question; and
- (b) the affected national or provincial department or municipality has demonstrated the capacity to implement projects,

the National Treasury may, in its discretion after consultation with the relevant transferring officer and receiving officer or at the request of the transferring officer or the affected receiving officer, convert any portion of— 40

- (i) an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6;
- (ii) an allocation listed in Part B of Schedule 6 to one listed in Part B of Schedule 5; 45
- (iii) the School Infrastructure Backlogs Grant to the Education Infrastructure Grant; or
- (iv) the National Health Insurance Indirect Grant listed in Part A of Schedule 6 to the Health Facility Revitalisation Grant or the National Health Insurance Grant listed in Part A of Schedule 5. 50

(2) If satisfied that a municipality has failed to follow procurement procedures prescribed in terms of the Municipal Finance Management Act, the National Treasury may, in its discretion after consultation with the relevant transferring officer or at the request of the transferring officer or the affected receiving officer, convert any portion of an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6. 55

- (3) Any portion of an allocation converted in terms of subsections (1) or (2) must be utilised for the same province or municipality to which the allocation was originally made.
- (4) The National Treasury must—
- (a) give notice in the *Gazette* of a conversion in terms of subsection (1) or (2); and 5
 - (b) provide a copy of the notice to the transferring officer and each affected receiving officer.
- (5) A conversion in terms of subsection (1) or (2) takes effect on the date of publication of the notice in terms of subsection (4)(a).
- (6) If an allocation listed in Part B of Schedule 7 is insufficient for a disaster referred to in section 26(3)(a), the National Treasury may, after consultation with or on the request of the relevant transferring officer, convert any portion of an allocation listed in— 10
- (a) Part A of Schedule 7 to one listed in Part B of Schedule 7; or
 - (b) Part B of Schedule 7 to one listed in Part A of Schedule 7. 15
- (7) The National Treasury must—
- (a) in the notice published in terms of section 26(3)(c), include notification of the conversion in terms of subsection (6) and the effective date referred to in subsection (8); or
 - (b) provide a copy of the notice to the transferring officer. 20
- (8) A conversion in terms of subsection (6) takes effect on the date that the National Treasury approves it.

Unspent conditional allocations

22. (1) Despite a provision to the contrary in the Public Finance Management Act or the Municipal Finance Management Act, any conditional allocation, or a portion thereof, that is not spent at the end of the 2016/17 financial year reverts to the National Revenue Fund, unless the roll-over of the allocation is approved in terms of subsection (2). 25
- (2) The National Treasury may, at the request of a transferring officer, receiving officer or provincial treasury, approve a roll-over of a conditional allocation to the 2017/18 financial year if the unspent funds are committed to identifiable projects. 30
- (3) (a) The receiving officer must ensure that any funds that must revert to the National Revenue Fund in terms of subsection (1), are paid into that Fund by the date determined by the National Treasury.
- (b) The receiving officer must— 35
- (i) in the case of a provincial department, request the roll-over of unspent funds through its provincial treasury; and
 - (ii) inform the transferring officer of all processes regarding the request.
- (4) The National Treasury may, subject to subsection (5), offset any funds that must revert to the National Revenue Fund in terms of subsection (1), but not paid into that Fund by the date determined in terms of subsection (3)(a)— 40
- (a) in the case of a province, against future advances for conditional allocations to that province; or
 - (b) in the case of a municipality, against future advances for the equitable share or conditional allocations to that municipality. 45
- (5) Before any funds are offset in terms of subsection (4), the National Treasury must give the relevant transferring officer, province or municipality—
- (a) notice of the intention to offset amounts against future advances for allocations, the intended amount to be offset against allocations and the reasons for the offsetting; and 50
 - (b) an opportunity, within 14 days of receipt of the notice, to—
 - (i) submit written representations and other written proof that the allocation, or a portion thereof, was either spent in terms of the relevant framework or is committed to identifiable projects;

- (ii) propose alternative means acceptable to the National Treasury by which the unspent allocations can be paid into the National Revenue Fund; and
- (iii) propose an alternative payment schedule in terms of which the unspent allocations will be paid into the National Revenue Fund.

CHAPTER 4

5

MATTERS RELATING TO ALL ALLOCATIONS

Payment requirements

23. (1) (a) The National Treasury must, after consultation with the provincial treasury, determine the payment schedule for the transfer of a province's equitable share allocation. 10

(b) In determining the payment schedule, the National Treasury must take into account the monthly expenditure commitments of provinces and seek to minimise risk and debt servicing costs for national and provincial government.

(c) Despite paragraph (a), the National Treasury may advance funds to a province in respect of its equitable share or a portion of it which has not yet fallen due for transfer in terms of the payment schedule— 15

(i) for cash management purposes relating to the corporation for public deposits account or when an intervention in terms of section 100 of the Constitution takes place; and

(ii) on such conditions as it may determine. 20

(d) Any advances in terms of paragraph (c) must be offset against transfers to the province which would otherwise become due in terms of the payment schedule.

(2) (a) The National Treasury must, after consultation with the national department responsible for local government, determine the amount of a municipality's equitable share allocation to be transferred on each date referred to in section 5(3) and, if applicable, section 38(3). 25

(b) Despite paragraph (a), the National Treasury may approve a request or direct that the equitable share or a portion of the equitable share which has not yet fallen due for transfer in terms of section 5(3) or 38(3), be advanced to a municipality—

(i) after consultation with the national department responsible for local government; 30

(ii) for purposes of cash management in the municipality or an intervention in terms of section 139 of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act; and

(iii) on such conditions as it may determine. 35

(c) Any advance in terms of paragraph (b) must be offset against transfers to the municipality which would otherwise become due in terms of section 5(3) or 38(3).

(3) (a) Subject to section 28(1), the National Treasury must, within 14 days after this Act takes effect, approve the payment schedule for the transfer of an allocation listed in Schedule 4 or 5 to a province or municipality. 40

(b) The transferring officer of a Schedule 4 or 5 allocation must submit a payment schedule to the National Treasury for approval before the first transfer is made.

(c) Before the submission of a payment schedule in terms of paragraph (b), the transferring officer must, in relation to a Schedule 4 or 5 allocation, consult the relevant receiving officer. 45

(4) The transferring officer of a Schedule 4 or 5 allocation must provide the receiving officer and the relevant provincial treasury with a copy of the approved payment schedule before making the first transfer in terms thereof.

(5) The transfer of a Schedule 4 or 5 allocation to a municipality must accord with the financial year of the municipality. 50

(6) Each transfer of an equitable share or a conditional allocation to a municipality in terms of this Act must be made through a payment system provided by the National Treasury.

Amendment of payment schedule

24. (1) (a) Subject to subsection (2), a transferring officer of a Schedule 4 or 5 allocation must, within seven days of the withholding or stopping of an allocation in terms of section 18 or 19, submit an amended payment schedule to the National Treasury for approval. 5
- (b) No transfers may be made until the National Treasury has approved the amended payment schedule.
- (2) For purposes of better management of debt and cash-flow or addressing financial mismanagement or financial misconduct or slow or accelerated expenditure, the National Treasury may amend any payment schedule for an allocation listed in Schedule 2, 4 or 5, after notifying, in the case of— 10
- (a) an allocation to a province, the provincial treasury in question;
 - (b) an allocation to a municipality, the national department responsible for local government;
 - (c) a Schedule 4 or 5 allocation, the relevant transferring officer. 15
- (3) The amendment of a payment schedule in terms of subsection (1) or (2) must take into account—
- (a) the monthly expenditure commitments of provinces or municipalities;
 - (b) the revenue at the disposal of provinces or municipalities; and
 - (c) the minimisation of risk and debt servicing costs for all three spheres of 20 government.
- (4) The transferring officer must immediately inform the receiving officer of any amendment to a payment schedule in terms of subsection (1) or (2).

Transfers made in error or fraudulently

25. (1) Despite a provision of other legislation to the contrary, the transfer of an allocation that is an overpayment to a province, municipality or public entity, made in error or fraudulently, is regarded as not legally due to that province, municipality or public entity, as the case may be. 25
- (2) The responsible transferring officer must, without delay, recover an overpayment referred to in subsection (1), unless an instruction has been issued in terms of subsection (3). 30
- (3) The National Treasury may instruct that the recovery referred to in subsection (2) be effected by set-off against future transfers to the affected province, municipality or public entity in terms of a payment schedule.

New allocations during financial year and Schedule 7 allocations

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26. (1) If further allocations are made to provinces or municipalities, as envisaged in section 6(3), the National Treasury must, before the transfer of any funds to a province or municipality, by notice in the *Gazette* and as applicable—
- (a) amend any allocation or framework published in terms of section 16;
 - (b) publish the allocation per municipality for any new Part B of Schedule 5 allocation or the indicative allocation per municipality for any new Part B of Schedule 6 allocation; or 40
 - (c) publish a framework for any new Schedule 4, 5, 6 or 7 allocation.
- (2) Section 16(2) to (5) applies with the necessary changes to allocations and frameworks published in terms of subsection (1). 45
- (3) (a) The transferring officer may, with the approval of the National Treasury, make one or more transfers of a Schedule 7 allocation to a province or municipality for a disaster within 100 days after the date of the declaration of the disaster.

(b) The transferring officer must notify the relevant provincial treasury and the National Treasury within 14 days of a transfer of a Schedule 7 allocation to a province or municipality.

(c) The National Treasury must, within 21 days after the end of the 100 day period referred to in paragraph (a), by notice in the *Gazette* publish all transfers of a Schedule 7 allocation made for a disaster. 5

(d) A Schedule 7 allocation transferred to a province or municipality must be appropriated either in the provincial adjustments appropriation legislation, municipal adjustments budgets or other appropriation legislation.

Preparations for 2017/18 financial year and 2018/19 financial year 10

27. (1) (a) A category C municipality that receives a conditional allocation in terms of this Act must, using the indicative conditional allocations to that municipality for the 2017/18 financial year and the 2018/19 financial year as set out in Column B of the Schedules to this Act, by 3 October 2016—

(i) agree on the provisional allocations and the projects to be funded from those allocations in the 2017/18 financial year and the 2018/19 financial year with each category B municipality within the category C municipality's area of jurisdiction; and 15

(ii) submit to the transferring officer—

(aa) the provisional allocations referred to in subparagraph (i); and 20

(bb) the projects referred to in subparagraph (i), listed per municipality.

(b) If a category C municipality and a category B municipality cannot agree on the allocations and projects referred to in paragraph (a), the category C municipality must request the relevant transferring officer to facilitate agreement.

(c) The transferring officer must take all necessary steps to facilitate agreement as soon as possible, but no later than 60 days after receiving a request referred to in paragraph (b). 25

(d) Any proposed amendment or adjustment of the allocations that is intended to be published in terms of section 30(3)(b) must be agreed with the relevant category B municipality, the transferring officer and the National Treasury, before publication and the submission of the allocations referred to in paragraph (a)(ii). 30

(e) If agreement is not reached between the category C municipality and the category B municipality on the provisional allocations and projects referred to in paragraph (a) before 3 October 2016, the National Treasury may determine the provisional allocations and provide those provisional allocations to the affected municipalities and the transferring officer. 35

(f) (i) The transferring officer must submit the final allocations based on the provisional allocations referred to in paragraph (a)(i) and (ii) and (e) to the National Treasury by 2 December 2016.

(ii) If the transferring officer fails to submit the allocations referred to in subparagraph (i) by 2 December 2016, the National Treasury may determine the appropriate allocations, taking into consideration the indicative allocations for the 2017/18 financial year. 40

(2) (a) The transferring officer of a conditional allocation, using the indicative conditional allocations for the 2017/18 financial year and the 2018/19 financial year as set out in Column B of the affected Schedules to this Act, must, by 3 October 2016, submit to the National Treasury— 45

(i) the provisional allocations to each province or municipality in respect of new conditional allocations to be made in the 2017/18 financial year;

(ii) any amendments to the indicative allocations for each province or municipality set out in Column B of the affected Schedules in respect of existing conditional allocations; and 50

(iii) the draft frameworks for the allocations referred to in subparagraphs (i) and (ii);

- (iv) electronic copies of any guidelines, business plan templates and other documents referred to in the draft frameworks referred to in subparagraph (iii).
- (b) When a document, referred to in a draft framework, that is submitted in terms of paragraph (a)(iii), is amended, the transferring officer must immediately provide the National Treasury and each receiving officer with electronic copies of the revised document. 5
- (c) The National Treasury must approve any proposed amendment or adjustment for the 2017/18 financial year of the allocation criteria of an existing conditional allocation before the submission of the provisional allocations and draft frameworks. 10
- (d) (i) The transferring officer must, under his or her signature, submit the final allocations and frameworks based on the provisional allocations and frameworks to the National Treasury by 2 December 2016.
- (ii) The transferring officer may in writing delegate to an employee of his or her department the signing off envisaged in subparagraph (i), and, in the event of such delegation, a copy of the written delegation must accompany the allocations and frameworks submitted in terms of subparagraph (i). 15
- (e) If the transferring officer fails to comply with paragraph (a) or (d), the National Treasury may determine the appropriate draft or final allocations and frameworks taking into consideration the indicative allocations for the 2017/18 financial year. 20
- (f) (i) The National Treasury may amend final allocations and frameworks in order to ensure equitable and stable allocations and fair and consistent grant conditions.
- (ii) The National Treasury must give notice to the transferring officer of the intention to amend frameworks and allocations and invite the submission of written comment within seven days after the date of the notification. 25
- (g) The draft and final frameworks and allocations must be submitted in the format determined by the National Treasury.
- (3) The National Treasury may instruct transferring officers, accounting officers of the provincial treasuries and receiving officers to submit to it such plans and information for any conditional allocation as it may determine at specified dates before the start of the 2017/18 financial year. 30
- (4) (a) For purposes of the Education Infrastructure Grant or Health Facility Revitalisation Grant in the 2017/18 financial year, the receiving officer of the relevant provincial department must, in the format and on the date determined by the National Treasury, submit to the transferring officer, the relevant provincial treasury and the National Treasury— 35
- (i) a user asset management plan for all infrastructure programmes for a period of at least 10 years;
- (ii) an infrastructure programme management plan including at least a construction procurement strategy for infrastructure programmes and projects envisaged to commence within the period for the medium term expenditure framework; 40
- (iii) project proposals and concept reports for all projects in the planning stage envisaged to commence construction within the medium term expenditure framework period; and 45
- (iv) a document that outlines how the infrastructure delivery management system will be implemented in the province and that is approved by the Executive Council of the province before or after the commencement of this Act.
- (b) If any substantive change is made to the document, referred to in paragraph (a)(iv) during the 2016/17 financial year, the amended document must be approved by the Executive Council of the province before submission to the National Treasury within 14 days after such approval. 50
- (c) The National Treasury must notify the transferring officer and the affected provincial departments of the infrastructure programmes and projects it will propose for full or partial funding through the grant before 2 December 2016. 55

Transfers before commencement of Division of Revenue Act for 2017/18 financial year

28. (1) Despite sections 3(2), 7(2) and 8(2), if the Division of Revenue Act for the 2017/18 financial year has not commenced before or on 1 April 2017, the National Treasury may determine that an amount not exceeding 45 per cent of the total amount of each allocation made in terms of section 3(1), 7(1) or 8(1) be transferred to the relevant province or municipality as a direct charge against the National Revenue Fund. 5
- (2) If an amount of an allocation, made in terms of section 7(1) or 8(1), is transferred in terms of subsection (1), the amount is, with the necessary changes, subject to the applicable framework for the 2016/17 financial year and the other requirements of this Act as if it is an amount of an allocation for the 2016/17 financial year. 10

CHAPTER 5

DUTIES AND POWERS OF MUNICIPALITIES, PROVINCIAL TREASURIES AND NATIONAL TREASURY

Duties of municipalities 15

29. (1) (a) In addition to the requirements of the Municipal Finance Management Act, the accounting officer of a category C municipality must, within 10 days after this Act takes effect, submit to the National Treasury and all category B municipalities within that municipality's area of jurisdiction, the budget, as tabled in accordance with section 16 of the Municipal Finance Management Act, for the 2016/17 financial year, the 2017/18 financial year and the 2018/19 financial year, except if submitted in terms of any other legislation before the end of the 10 day period. 20
- (b) The budget must indicate all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities. 25
- (2) A category C municipality that is providing a municipal service must, before implementing any capital project for water, electricity, roads or any other municipal service, consult the category B municipalities within whose area of jurisdiction the project will be implemented, and agree in writing which municipality is responsible for the operational costs and the collection of user fees. 30
- (3) A category C municipality must ensure that it does not duplicate a function currently performed by a category B municipality and must transfer funds for the provision of services, including basic services, to the relevant category B municipality that is providing municipal services, despite the fact that— 35
- (a) the category C municipality retains the function in terms of the Municipal Structures Act; and
- (b) a service delivery agreement for the provision of services by the category B municipality on behalf of the category C municipality has not been concluded.
- (4) A category B municipality which is not authorised to perform a function in terms of the Municipal Structures Act may not extend the scope or type of services that it currently provides, without— 40
- (a) entering into a service delivery agreement with the category C municipality which is authorised to perform the function in terms of the Municipal Structures Act; or
- (b) obtaining authorisation to perform the function in terms of the Municipal Structures Act. 45
- (5) (a) A category C municipality and a category B municipality must, before the commencement of a financial year, agree to a payment schedule in respect of the allocations referred to in subsection (1)(b) to be transferred to the category B municipality in that financial year, and the category C municipality must submit that payment schedule to the National Treasury before the commencement of the financial year. 50

(b) A category C municipality must make transfers in accordance with the payment schedule submitted in terms of paragraph (a).

(6) (a) The National Treasury may withhold or stop any allocation to the category C municipality and reallocate the allocation to the relevant category B municipalities if a category C municipality fails to—

- (i) make allocations referred to in subsection (1)(b);
- (ii) reach an agreement envisaged in subsection (2); or
- (iii) submit a payment schedule in accordance with subsection (5)(a).

(b) The following provisions apply to the withholding or stopping of an allocation in accordance with paragraph (a):

- (i) Section 216 of the Constitution;
- (ii) in the case of withholding an allocation, section 18(4)(a) of this Act, with the necessary changes;
- (iii) in the case of stopping an allocation, section 19(2)(a), (3), (4) and (5) of this Act, with the necessary changes.

(c) If an allocation is stopped in terms of this subsection, the National Treasury may, after consultation with the transferring officer, determine that a portion of the allocation that will not be spent, be reallocated to one or more municipalities, on condition that the allocation will be spent by the end of the 2016/17 financial year or the 2017/18 financial year.

(7) A municipality must ensure that any allocation made to it in terms of this Act, or by a province or another municipality, that is not reflected in its budget as tabled in accordance with section 16 of the Municipal Finance Management Act, is reflected in its budget to be considered for approval in accordance with section 24 of the Municipal Finance Management Act.

Duties and powers of provincial treasuries

30. (1) A provincial treasury must reflect allocations listed in Part A of Schedule 5 to the province separately in the appropriation Bill of the province.

(2) (a) A provincial treasury must, on the same day that its budget is tabled in the provincial legislature, or a date not later than 14 days after this Act takes effect, approved by the National Treasury, publish by notice in the *Gazette*—

- (i) the indicative allocation per municipality for every allocation to be made by the province to municipalities from the province's own funds;
- (ii) the indicative allocation to be made per school and per hospital in the province in a format determined by the National Treasury;
- (iii) the indicative allocation to any national or provincial public entity for the implementation of a programme funded by an allocation in Part A of Schedule 5 on behalf of a province or for assistance provided to the province in implementing such a programme;
- (iv) the envisaged division of the allocation envisaged in subparagraphs (i) and (ii), in respect of each municipality, school and hospital, for the 2017/18 financial year and the 2018/19 financial year; and
- (v) the conditions and other information in respect of the allocations referred to in subparagraphs (i), (ii) and (iii) to facilitate performance measurement and the use of required inputs and outputs.

(b) The allocations referred to in paragraph (a) must be regarded as final when the provincial appropriation Act takes effect.

(c) If the provincial legislature amends its appropriation Bill, the provincial treasury must publish amended allocations and budgets by notice in the *Gazette* within 14 days after the appropriation Act takes effect, and those allocations and budget must be regarded as final.

(3) (a) Despite subsection (2) or any other legislation, a provincial treasury may, in accordance with a framework determined by the National Treasury, amend the allocations referred to in subsection (2) or make additional allocations to municipalities that were not published in terms of subsection (2).

(b) Any amendments to the allocations published in terms of subsection (2)(a) or (c) must be published by notice in the *Gazette* not later than 10 February 2017 and takes effect on the date of the publication.

(4) A provincial treasury must, as part of its report in terms of section 40(4)(b) and (c) of the Public Finance Management Act, in the format determined by the National Treasury, report on— 5

- (a) actual transfers received by the province from national departments;
- (b) actual expenditure on such allocations, excluding Schedule 4 allocations, up to the end of that month; and
- (c) actual transfers made by the province to municipalities and public entities, and actual expenditure by municipalities and public entities on such allocations, based on the latest information available from municipalities and public entities at the time of reporting. 10

- (5) (a) A provincial treasury must—
- (i) ensure that a payment schedule is agreed between each provincial department and receiving institution envisaged in subsection (2)(a); 15
 - (ii) ensure that transfers are made promptly to the relevant receiving officer in terms of the agreed payment schedule; and
 - (iii) submit the payment schedules to the National Treasury within 14 days after this Act takes effect. 20

(b) If a provincial department and receiving institution do not agree to a payment schedule in time for submission to the National Treasury, the provincial treasury must, after consultation with the transferring officer, determine the payment schedule.

(6) If a provincial treasury fails to make a transfer in terms of subsection (5)(a), the relevant receiving officer may request the provincial treasury to immediately make the transfer or to provide written reasons within three working days as to why the transfer has not been made. 25

(7) If a provincial treasury fails to make the transfer requested by the receiving officer or provide reasons in terms of subsection (6), or the receiving officer disputes the reasons provided by the provincial treasury as to why the transfer has not been made, the receiving officer may request the National Treasury to investigate the matter. 30

- (8) On receipt of a request in terms of subsection (7), the National Treasury must—
- (a) consult the transferring officer on the matter;
 - (b) investigate the matter, assess any reasons given by the provincial treasury as to why the transfer was not made; 35
 - (c) direct the provincial treasury to immediately effect the transfer or provide reasons to the receiving officer confirming why the provincial treasury was correct in not making the transfer; and
 - (d) advise the provincial treasury and the receiving officer as to what steps must be taken to ensure the transfer. 40

Duties and powers of National Treasury

31. (1) The National Treasury must, within 14 days after this Act takes effect, submit a notice to all transferring officers containing the details of the primary bank accounts of each province and municipality.

(2) The National Treasury must, together with the statement envisaged in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in Schedules 4, 5, 6 and 7 or made in terms of section 26. 45

(3) The National Treasury may include a report on the equitable share and conditional allocations in terms of this Act in any report it publishes—

- (a) that aggregates statements published by provincial treasuries envisaged in section 71(7) of the Municipal Finance Management Act; and 50
- (b) in respect of municipal finances.

CHAPTER 6

GENERAL

Liability for costs incurred in violation of principles of cooperative governance and intergovernmental relations

32. (1) An organ of state involved in an intergovernmental dispute regarding any provision of this Act or any division of revenue matter or allocation must, before approaching a court to resolve such dispute, make every effort to settle the dispute with the other organ of state concerned, including exhausting all mechanisms provided for the settlement of disputes in relevant legislation. 5

(2) If a dispute is referred back by a court in accordance with section 41(4) of the Constitution, due to the court not being satisfied that the organ of state approaching the court has complied with subsection (1), the expenditure incurred by that organ of state in approaching the court must be regarded as fruitless and wasteful. 10

(3) The amount of any such fruitless and wasteful expenditure must, in terms of the applicable procedures in the Public Finance Management Act or the Municipal Finance Management Act, be recovered without delay from every person who caused the organ of state not to comply with subsection (1). 15

Irregular expenditure

33. The following transfers must be regarded as irregular expenditure in terms of the Public Finance Management Act or the Municipal Finance Management Act, as the case may be: 20

- (a) A transfer prohibited in terms of section 17(2);
- (b) a transfer by a transferring officer to a bank account of a province or municipality that is not the primary bank account;
- (c) a transfer envisaged in section 25(1); or 25
- (d) a transfer made or expenditure of an allocation in contravention of this Act.

Financial misconduct

34. (1) Despite a provision of other legislation to the contrary, any wilful or negligent non-compliance with a provision of this Act constitutes financial misconduct.

(2) Section 84 of the Public Finance Management Act or section 171 of the Municipal Finance Management Act, as the case may be, applies in respect of financial misconduct envisaged in subsection (1). 30

Delegations and assignments

35. (1) The Minister may, in writing, delegate any of the powers entrusted to, and assign any of the duties imposed on, the National Treasury in terms of this Act, to an official of the National Treasury. 35

(2) A delegation or assignment in terms of subsection (1) to an official of the National Treasury—

- (a) is subject to any limitations or conditions that the Minister may impose;
- (b) may authorise that official to sub-delegate, in writing, the delegated power or assigned duty to any other official of the National Treasury; and 40
- (c) does not divest the National Treasury of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

(3) The Minister may vary or revoke any decision taken by an official as a result of a delegation or assignment, subject to any rights that may have vested as a consequence of the decision. 45

(4) (a) A Member of the Executive Council responsible for finance in a province may, in writing, delegate any power entrusted to, and assign any duty imposed on, the provincial treasury in terms of this Act, to an official of the provincial treasury.

(b) Subsections (2) and (3) apply with the necessary changes to a delegation or assignment in terms of paragraph (a).

Exemptions

36. (1) The Minister may, if good grounds exist, approve a departure from a provision of a framework, a regulation made under section 37 or a condition imposed in terms of this Act. 5

(2) For purposes of subsection (1), good grounds include the fact that the provision of the framework, regulation or condition—

- (a) cannot be implemented in practice;
- (b) impedes the achievement of any object of this Act; 10
- (c) impedes an immediate response to a disaster; or
- (d) undermines the financial viability of the affected national or provincial department or municipality.

(3) Any departure approved in terms of subsection (1) must set out the period and conditions of the departure, if any, and must be published by notice in the *Gazette*. 15

Regulations

37. The Minister may, by notice in the *Gazette*, make regulations regarding—

- (a) anything which must or may be prescribed in terms of this Act; or
- (b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act. 20

Transitional measures for municipal election in 2016

38. (1) In this section—

- (a) “**post-election municipality**” means a municipality existing with effect from the election date and is affected by a boundary determination in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998), with effect from the election date; 25
- (b) “**pre-election municipality**” means a municipality which is in existence before the election date and is affected by a boundary determination in terms of the Local Government: Municipal Demarcation Act, 1998, with effect from the election date; 30
- (c) “**the election announcement date**” means the date of the notice in the *Gazette* which sets the date for an election of all municipal councils in 2016 in terms of section 24(2) of the Municipal Structures Act; and
- (d) “**the election date**” means the date set in the notice in the *Gazette* for an election of all municipal councils in 2016 in terms of section 24(2) of the Municipal Structures Act. 35

(2) (a) Despite section 5(1), read with Schedule 3, if the election date is after 1 July 2016, the National Treasury must, within 14 days after this Act takes effect or the election announcement date, whichever is later, determine by notice in the *Gazette*, the first transfer of the equitable share for each pre-election municipality. 40

(b) The notice takes effect on the date of its publication in the *Gazette*.

(c) If a transfer is determined for a pre-election municipality in terms of paragraph (a), the transfers to all post-election municipalities sharing any part of the municipal area of that pre-election municipality must be adjusted proportionally. 45

(3) If the election date is after 1 July 2016, the National Treasury may, after consultation with the national department responsible for local government and by notice in the *Gazette*—

- (a) amend the date of 4 July 2016, referred to in section 5(3);

- (b) on or after the election date, in addition to the three transfers referred to in section 5(3), approve a fourth transfer on a date before 30 November 2016 for any post-election municipality.
- (4) (a) If the election date is after 1 July 2016, the National Treasury may, by notice in the *Gazette*, determine for a pre-election municipality— 5
- (i) a conditional allocation referred to in Part B of Schedule 4; or
 - (ii) a conditional allocation referred to in Part B of Schedule 5 published in terms of section 16(1)(a).
- (b) If a conditional allocation is determined for a pre-election municipality in terms of paragraph (a), the conditional allocation to all post-election municipalities sharing any part of the municipal area of that pre-election municipality must be adjusted proportionally. 10
- (c) Before making any amendments in terms of paragraph (a), the National Treasury must consult the relevant transferring officer.
- (d) An amendment in terms of paragraph (a) takes effect on the date of publication of the notice in the *Gazette*. 15
- (5) (a) The transferring officer of a Schedule 4 or 5 allocation may, after consultation with the national department responsible for local government, request a coordinating structure established by the provincial department responsible for local government for a post-election municipality to prepare a draft business plan for the allocation, in accordance with the framework for that allocation. 20
- (b) All transfers for the 2016/17 financial year must be based on the draft business plan until the receiving officer approves a business plan in terms of paragraph (c).
- (c) The receiving officer of a Schedule 4 or 5 allocation must within two months after the election of all municipal councils submit to the transferring officer the business plan, as approved by the receiving officer. 25
- (d) All subsequent transfers must be based on the business plan approved by the relevant receiving officer.
- (6) (a) A category C municipality (herein called “the releasing municipality”) from which a particular area or a category B municipality is transferred from the election date to another category C municipality (herein called “the receiving municipality”), must continue to spend its allocations, in that particular area or category B municipality, as if that area or category B municipality was not transferred to the receiving municipality, unless the municipalities have entered into an agreement that ensures that the relocated area or category B municipality is not negatively affected. 30 35
- (b) The transferring officer of an allocation and the receiving municipality must monitor that the releasing municipality complies with paragraph (a).
- (c) The releasing municipality must, at the request of the transferring officer, the receiving municipality or the National Treasury, demonstrate compliance with paragraph (a). 40
- (7) (a) Sections 18 and 19 apply, with the necessary changes, if a releasing municipality fails to comply with subsection (6)(a) or (c) in respect of a conditional allocation.
- (b) If an allocation is stopped in terms of paragraph (a), the National Treasury may, after consultation with the transferring officer, determine that a portion of the allocation be reallocated to the receiving municipality. 45
- (8) If a releasing municipality fails to comply with subsection (6)(a) or (c), the National Treasury may reallocate a portion of the releasing municipality’s equitable share allocation referred to in section 5(1) to the receiving municipality.
- (9) If the election date is after 1 July 2016, transitional measures in addition to the measures in this section may be prescribed. 50

Repeal of laws and savings

39. (1) Subject to subsection (2)—
- (a) the Division of Revenue Act, 2015 (Act No. 1 of 2015), except sections 16 and 26, is hereby repealed; and 55

- (b) sections 16 and 26 of the Division of Revenue Act, 2015, is hereby repealed with effect from 1 July 2016 or the date that this Act takes effect, whichever is the later date.
- (2) Any repeal referred to in subsection (1), does not affect—
- (a) any duty to be performed in terms of any provision of an Act referred to in subsection (1) after the end of the 2016/17 financial year; and 5
- (b) any obligation in terms of any provision of an Act referred to in subsection (1), the execution of which is outstanding.
- (3) Any framework published in terms of section 16 of the Division of Revenue Act, 2015, as amended in terms of section 16 or 26 of that Act, applies to funds of a 10 conditional allocation approved for roll-over in terms of section 22(2) of that Act, if that conditional allocation does not continue to exist in terms of this Act.

Short title and commencement

40. This Act is called the Division of Revenue Act, 2016, and takes effect on 1 April 2016 or the date of publication in the *Gazette*, whichever is the later date. 15

SCHEDULE 1

EQUITABLE DIVISION OF REVENUE RAISED NATIONALLY AMONG
THE THREE SPHERES OF GOVERNMENT

Spheres of Government	Column A	Column B	
	2016/17	Forward Estimates	
		2017/18	2018/19
	R'000	R'000	R'000
National ^{1,2}	855 070 793	922 857 273	1 003 451 247
Provincial ³	410 698 585	441 831 122	474 851 942
Local	52 568 706	57 012 141	61 731 845
TOTAL	1 318 338 084	1 421 700 536	1 540 035 034

1. National share includes conditional allocations to provincial and local spheres, general fuel levy sharing with metropolitan municipalities, debt-service costs and the contingency reserve
2. The direct charges for the provincial equitable share are netted out
3. Provincial share includes an unallocated amount of R5.8 billion in 2018/19 that is not included in the forward estimates of provincial allocations in Schedule 2

SCHEDULE 2

DETERMINATION OF EACH PROVINCE'S EQUITABLE SHARE OF THE
PROVINCIAL SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(as a direct charge against the National Revenue Fund)

Province	Column A	Column B	
	2016/17	Forward Estimates	
		2017/18	2018/19
	R'000	R'000	R'000
Eastern Cape	58 060 456	61 969 363	65 844 586
Free State	22 994 762	24 590 994	26 134 741
Gauteng	79 599 868	86 412 496	92 199 524
KwaZulu-Natal	87 897 580	94 051 218	99 449 582
Limpopo	48 708 568	52 086 555	55 176 261
Mpumalanga	33 449 947	36 207 867	38 505 835
Northern Cape	10 862 660	11 733 117	12 421 596
North West	28 062 307	30 361 426	32 311 062
Western Cape	41 062 437	44 418 086	47 007 952
TOTAL	410 698 585	441 831 122	469 051 139

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality			National Financial Year	
			Column A	Column B
			2016/17	Forward Estimates
				2017/18 2018/19
EASTERN CAPE			R'000	R'000 R'000
A	BUF	Buffalo City	678 197	703 602 760 226
A	NMA	Nelson Mandela Bay	798 043	843 509 921 857
B	EC101	EC101	84 241	78 096 83 220
B	EC102	Blue Crane Route	44 713	45 793 48 298
B	EC104	Makana	77 008	80 465 86 244
B	EC105	Ndlambe	76 824	83 298 89 683
B	EC106	Sundays River Valley	59 318	65 608 71 249
B	EC108	Kouga	91 622	103 959 114 565
B	EC109	Kou-Kamma	39 760	42 981 46 102
C	DC10	Sarah Baartman District Municipality	82 014	84 890 87 985
Total: Sarah Baartman Municipalities			555 500	585 090 627 346
B	EC121	Mbhashe	210 060	223 148 233 352
B	EC122	Mnquma	221 906	232 277 242 148
B	EC123	Great Kei	39 457	34 267 35 616
B	EC124	Amahlathi	113 780	98 507 102 403
B	EC126	Ngqushwa	76 828	75 545 78 487
B	EC129	EC129	147 445	151 530 158 177
C	DC12	Amathole District Municipality	730 990	780 614 845 394
Total: Amatole Municipalities			1 540 466	1 595 888 1 695 577
B	EC131	Inxuba Yethemba	39 424	38 565 40 889
B	EC135	Intsika Yethu	145 314	153 925 161 037
B	EC136	Emalahleni	114 599	121 843 127 950
B	EC137	Engcobo	130 882	139 012 145 476
B	EC138	Sakhisizwe	57 906	60 843 63 522
B	EC139	EC139	167 232	165 668 175 285
C	DC13	Chris Hani District Municipality	485 308	529 946 573 337
Total: Chris Hani Municipalities			1 140 665	1 209 802 1 287 496
B	EC141	Elundini	129 070	137 811 144 722
B	EC142	Senqu	129 802	136 745 143 348
B	EC145	EC145	51 948	49 452 52 683
C	DC14	Joe Gqabi District Municipality	223 621	244 055 264 128
Total: Joe Gqabi Municipalities			534 441	568 063 604 881
B	EC153	Ngquza Hill	195 945	208 426 218 193
B	EC154	Port St Johns	117 662	124 989 130 753
B	EC155	Nyandeni	213 070	226 424 237 439
B	EC156	Mhlontlo	154 313	161 607 167 789
B	EC157	King Sabata Dalindyebo	249 468	265 719 280 838
C	DC15	O.R. Tambo District Municipality	669 303	733 445 792 645
Total: O.R. Tambo Municipalities			1 599 761	1 720 610 1 827 657
B	EC441	Matatiele	170 266	179 725 187 547
B	EC442	Umkhumbi	162 992	170 765 177 467
B	EC443	Mbizana	175 910	185 021 192 873
B	EC152	Ntabankulu	93 327	97 382 101 010
C	DC44	Alfred Nzo District Municipality	387 047	417 686 448 072
Total: Alfred Nzo Municipalities			989 542	1 050 579 1 106 969
Total: Eastern Cape Municipalities			7 836 615	8 277 143 8 832 009

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality			National Financial Year		
			Column A	Column B	
			2016/17	Forward Estimates	
				2017/18	2018/19
			R'000	R'000	R'000
FREE STATE					
A	MAN	Mangaung	629 731	644 493	709 316
B	FS161	Letsemeng	47 402	45 691	48 269
B	FS162	Kopanong	70 650	63 453	66 846
B	FS163	Mohokare	54 472	55 601	59 560
C	DC16	Xhariep District Municipality	29 739	30 821	32 032
Total: Xhariep Municipalities			202 263	195 566	206 707
B	FS181	Masilonyana	83 362	82 724	87 491
B	FS182	Tokologo	43 424	43 086	45 581
B	FS183	Tswelopele	59 589	57 728	60 911
B	FS184	Matjhabeng	385 851	373 021	400 033
B	FS185	Nala	108 273	97 238	102 251
C	DC18	Lejweleputswa District Municipality	111 727	114 789	118 760
Total: Lejweleputswa Municipalities			792 226	768 586	815 027
B	FS191	Setsoto	158 775	155 327	165 239
B	FS192	Dihlabeng	124 304	126 276	136 743
B	FS193	Nketoana	79 054	79 656	85 568
B	FS194	Maluti-a-Phofung	458 097	492 281	526 299
B	FS195	Phumelela	59 830	60 669	64 597
B	FS196	Mantsopa	67 748	67 920	72 602
C	DC19	Thabo Mofutsanyana District Municipality	97 724	101 663	105 705
Total: Thabo Mofutsanyana Municipalities			1 045 532	1 083 792	1 156 753
B	FS201	Moqhaka	158 519	160 019	171 963
B	FS203	Ngwathe	157 639	161 424	173 705
B	FS204	Metsimaholo	125 978	140 738	155 882
B	FS205	Mafube	77 214	77 900	83 448
C	DC20	Fezile Dabi District Municipality	142 178	144 270	148 875
Total: Fezile Dabi Municipalities			661 528	684 351	733 873
Total: Free State Municipalities			3 331 280	3 376 788	3 621 676

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality			National Financial Year	
			Column A	Column B
			2016/17	Forward Estimates
				2017/18 2018/19
			R'000	R'000 R'000
GAUTENG				
A	EKU	Ekurhuleni	2 381 367	2 662 137 2 950 523
A	JHB	City of Johannesburg	3 182 318	3 607 991 4 017 148
A	TSH	City of Tshwane	1 864 838	2 148 143 2 404 418
B	GT421	Emfuleni	608 581	628 257 684 683
B	GT422	Midvaal	76 401	86 719 96 825
B	GT423	Lesedi	92 186	104 537 116 468
C	DC42	Sedibeng District Municipality	250 882	256 414 264 770
Total: Sedibeng Municipalities			1 028 050	1 075 927 1 162 746
B	GT481	Mogale City	285 456	320 490 355 627
B	GT484	Merafong City	162 952	159 408 173 714
B	GT485	GT485	216 728	233 219 255 651
C	DC48	West Rand District Municipality	188 872	194 034 200 923
Total: West Rand Municipalities			854 008	907 151 985 915
Total: Gauteng Municipalities			9 310 581	10 401 349 11 520 750

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality		National Financial Year		
		Column A	Column B	
		2016/17	Forward Estimates	
			2017/18	2018/19
		R'000	R'000	R'000
KWAZULU-NATAL				
A	ETH eThekweni	2 319 380	2 576 367	2 829 662
B	KZN212 KZN212	121 144	116 787	124 276
B	KZN213 Umzumbe	119 488	123 267	127 910
B	KZN214 uMuziwabantu	76 377	81 848	86 301
B	KZN216 KZN216	165 774	180 940	195 507
C	DC21 Ugu District Municipality	384 729	426 030	466 113
Total: Ugu Municipalities		867 512	928 872	1 000 107
B	KZN221 uMshwathi	83 479	89 253	94 699
B	KZN222 uMngeni	49 326	54 910	60 244
B	KZN223 Mpofana	27 693	28 818	30 313
B	KZN224 Impendle	31 349	32 128	33 615
B	KZN225 Msunduzi	432 307	480 046	527 315
B	KZN226 Mkhambathini	50 183	51 099	54 184
B	KZN227 Richmond	55 625	60 619	64 690
C	DC22 Umgungundlovu District Municipality	428 362	468 036	512 298
Total: Umgungundlovu Municipalities		1 158 324	1 264 909	1 377 358
B	KZN235 Okhahlamba	96 932	102 293	107 030
B	KZN237 KZN237	134 763	142 700	150 620
B	KZN238 KZN238	183 739	189 339	200 109
C	DC23 Uthukela District Municipality	332 370	361 841	392 513
Total: Uthukela Municipalities		747 804	796 173	850 272
B	KZN241 Endumeni	36 413	36 906	39 936
B	KZN242 Nquthu	110 256	116 695	122 462
B	KZN244 Msinga	131 035	138 537	146 554
B	KZN245 Umvoti	94 786	105 514	113 165
C	DC24 Umzinyathi District Municipality	263 532	292 854	320 683
Total: Umzinyathi Municipalities		636 022	690 506	742 800
B	KZN252 Newcastle	306 952	324 247	350 776
B	KZN253 Emadlangeni	23 572	25 281	26 447
B	KZN254 Dannhauser	75 694	80 181	83 977
C	DC25 Amajuba District Municipality	129 160	139 337	150 938
Total: Amajuba Municipalities		535 378	569 046	612 138

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality		National Financial Year	
		Column A	Column B
		2016/17	Forward Estimates
			2017/18 2018/19
		R'000	R'000 R'000
B	KZN261 eDumbe	57 900	61 387 64 417
B	KZN262 uPhongolo	97 800	104 530 110 401
B	KZN263 Abaqulusi	107 884	115 710 123 222
B	KZN265 Nongoma	121 046	128 549 134 781
B	KZN266 Ulundi	124 460	131 159 136 958
C	DC26 Zululand District Municipality	347 834	380 691 413 855
Total: Zululand Municipalities		856 924	922 026 983 634
B	KZN271 Umhlabuyalingana	122 458	133 785 142 392
B	KZN272 Jozini	134 845	144 859 152 832
B	KZN275 Mtubatuba	120 328	132 738 141 977
B	KZN276 KZN276	79 379	83 025 87 821
C	DC27 Umkhanyakude District Municipality	292 146	327 467 359 612
Total: Umkhanyakude Municipalities		749 156	821 874 884 634
B	KZN281 Mfolozi	98 724	107 868 114 489
B	KZN282 KZN282	263 487	291 465 319 112
B	KZN284 uMlalazi	148 417	159 664 168 611
B	KZN285 KZN285	63 687	67 763 70 547
B	KZN286 Nkandla	79 169	82 877 86 010
C	DC28 uThungulu District Municipality	433 405	464 457 506 461
Total: Uthungulu Municipalities		1 086 889	1 174 094 1 265 230
B	KZN291 Mandeni	122 874	134 039 143 306
B	KZN292 KwaDukuza	116 642	132 042 146 463
B	KZN293 Ndwedwe	108 709	116 578 122 741
B	KZN294 Maphumulo	71 404	74 451 77 236
C	DC29 iLembe District Municipality	373 996	420 163 463 652
Total: iLembe Municipalities		793 625	877 273 953 398
B	KZN433 Greater Kokstad	45 887	44 006 46 219
B	KZN434 Ubuhlebezwe	90 491	97 558 102 551
B	KZN435 Umzimkhulu	152 393	163 981 173 501
B	KZN436 KZN436	94 288	99 474 104 242
C	DC43 Harry Gwala District Municipality	260 069	284 205 308 451
Total: Harry Gwala Municipalities		643 128	689 224 734 964
Total: KwaZulu-Natal Municipalities		10 394 142	11 310 364 12 234 197

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality		National Financial Year	
		Column A	Column B
		2016/17	Forward Estimates
			2017/18 2018/19
		R'000	R'000 R'000
LIMPOPO			
B	LIM331 Greater Giyani	219 308	234 487 247 581
B	LIM332 Greater Letaba	206 299	219 352 231 224
B	LIM333 Greater Tzaneen	291 141	312 958 333 719
B	LIM334 Ba-Phalaborwa	110 235	119 502 127 315
B	LIM335 Maruleng	91 329	97 904 103 437
C	DC33 Mopani District Municipality	686 633	760 874 832 073
Total: Mopani Municipalities		1 604 945	1 745 077 1 875 349
B	LIM341 LIM341	87 434	99 288 107 938
B	LIM343 LIM343	337 132	362 797 385 202
B	LIM344 Makhado	275 985	296 533 315 879
B	LIM345 LIM345	247 247	306 392 324 347
C	DC34 Vhembe District Municipality	743 976	830 185 910 167
Total: Vhembe Municipalities		1 691 774	1 895 195 2 043 533
B	LIM351 LIM351	155 178	164 476 172 603
B	LIM353 LIM353	118 756	124 652 130 555
B	LIM354 LIM354	675 714	757 286 830 052
B	LIM355 Lepelle-Nkumpi	202 533	215 623 226 945
C	DC35 Capricorn District Municipality	522 710	536 271 582 579
Total: Capricorn Municipalities		1 674 891	1 798 308 1 942 734
B	LIM361 Thabazimbi	61 051	62 830 68 436
B	LIM362 Lephale	94 514	104 374 115 258
B	LIM366 Bela-Bela	68 411	76 060 83 392
B	LIM367 Mogalakwena	348 115	374 756 400 616
B	LIM368 LIM368	92 547	94 268 101 220
C	DC36 Waterberg District Municipality	113 277	117 310 121 822
Total: Waterberg Municipalities		777 915	829 598 890 744
B	LIM471 Ephraim Mogale	117 556	127 003 135 210
B	LIM472 Elias Motsoaledi	210 385	226 153 240 397
B	LIM473 Makhuduthamaga	225 123	240 496 254 456
B	LIM476 LIM476	307 760	335 688 360 690
C	DC47 Sekhukhune District Municipality	600 889	675 180 743 764
Total: Sekhukhune Municipalities		1 461 713	1 604 520 1 734 517
Total: Limpopo Municipalities		7 211 238	7 872 698 8 486 877

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality			National Financial Year	
			Column A	Column B
			2016/17	Forward Estimates
				2017/18 2018/19
			R'000	R'000 R'000
MPUMALANGA				
B	MP301	Albert Luthuli	233 446	252 915 269 960
B	MP302	Msukaligwa	121 443	132 341 145 011
B	MP303	Mkhondo	166 350	183 804 198 712
B	MP304	Pixley Ka Seme	91 996	94 143 99 914
B	MP305	Lekwa	86 239	91 625 99 329
B	MP306	Dipaleseng	54 345	58 169 62 746
B	MP307	Govan Mbeki	199 430	210 061 231 674
C	DC30	Gert Sibande District Municipality	275 755	280 414 289 248
Total: Gert Sibande Municipalities			1 229 004	1 303 472 1 396 594
B	MP311	Victor Khanye	72 949	81 159 89 261
B	MP312	Emalahleni	255 989	291 115 326 355
B	MP313	Steve Tshwete	136 037	157 665 178 776
B	MP314	Emakhazeni	51 837	57 026 62 041
B	MP315	Thembisile Hani	313 317	343 875 370 908
B	MP316	Dr JS Moroka	314 608	335 539 356 458
C	DC31	Nkangala District Municipality	333 667	341 509 352 641
Total: Nkangala Municipalities			1 478 404	1 607 888 1 736 440
B	MP321	Thaba Chweu	115 054	129 268 142 895
B	MP324	Nkomazi	447 689	494 138 534 377
B	MP325	Bushbuckridge	647 298	701 918 752 721
B	MP326	MP326	556 020	621 740 683 247
C	DC32	Ehlanzeni District Municipality	221 660	230 632 239 970
Total: Ehlanzeni Municipalities			1 987 721	2 177 696 2 353 210
Total: Mpumalanga Municipalities			4 695 129	5 089 056 5 486 244

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality		National Financial Year	
		Column A	Column B
		2016/17	Forward Estimates
			2017/18 2018/19
		R'000	R'000 R'000
NORTHERN CAPE			
B	NC061 Richtersveld	13 498	14 121 15 228
B	NC062 Nama Khoi	38 318	40 620 43 792
B	NC064 Kamiesberg	18 175	19 424 20 555
B	NC065 Hantam	20 774	21 123 22 656
B	NC066 Karoo Hoogland	16 678	17 976 19 342
B	NC067 Khâi-Ma	15 552	16 753 18 053
C	DC6 Namakwa District Municipality	35 436	36 038 37 303
Total: Namakwa Municipalities		158 431	166 055 176 929
B	NC071 Ubuntu	25 817	27 867 29 807
B	NC072 Umsobomvu	36 658	39 317 42 376
B	NC073 Emthanjeni	36 197	36 886 39 607
B	NC074 Kareeberg	18 919	20 539 22 002
B	NC075 Renosterberg	18 733	19 936 21 212
B	NC076 Thembelihle	19 367	20 676 21 982
B	NC077 Siyathemba	25 732	27 709 29 818
B	NC078 Siyancuma	39 977	40 622 42 724
C	DC7 Pixley Ka Seme District Municipality	35 824	37 353 38 849
Total: Pixley Ka Seme Municipalities		257 224	270 905 288 377
B	NC082 !Kai !Garib	54 787	57 965 62 559
B	NC084 !Kheis	20 223	21 359 22 524
B	NC085 Tsantsabane	30 151	32 515 35 639
B	NC086 Kgatelopele	17 858	19 385 21 210
B	NC087	69 707	70 917 77 173
C	DC8 Z.F. Mgcawu District Municipality	51 034	52 765 54 726
Total: Z.F. Mgcawu Municipalities		243 760	254 906 273 831
B	NC091 Sol Plaatje	144 171	146 972 159 833
B	NC092 Dikgatlong	60 379	64 768 69 100
B	NC093 Magareng	35 300	36 883 38 948
B	NC094 Phokwane	79 307	83 288 88 002
C	DC9 Frances Baard District Municipality	105 416	112 225 115 790
Total: Frances Baard Municipalities		424 573	444 136 471 673
B	NC451 Joe Morolong	115 068	123 042 129 952
B	NC452 Ga-Segonyana	117 413	130 941 143 078
B	NC453 Gamagara	25 352	28 577 32 601
C	DC45 John Taolo Gaetsewe District Municipality	66 326	69 303 74 709
Total: John Taolo Gaetsewe Municipalities		324 159	351 863 380 340
Total: Northern Cape Municipalities		1 408 147	1 487 865 1 591 150

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality		National Financial Year	
		Column A	Column B
		2016/17	Forward Estimates
			2017/18 2018/19
		R'000	R'000 R'000
NORTH WEST			
B	NW371 Moretele	263 905	284 189 300 583
B	NW372 Madibeng	506 149	576 167 638 352
B	NW373 Rustenburg	451 980	521 872 585 878
B	NW374 Kgetlengrivier	62 494	68 606 74 308
B	NW375 Moses Kotane	333 265	356 936 378 817
C	DC37 Bojanala Platinum District Municipality	302 943	314 955 327 482
Total: Bojanala Platinum Municipalities		1 920 736	2 122 725 2 305 420
B	NW381 Ratlou	96 861	101 654 106 254
B	NW382 Tswaing	85 712	90 202 94 890
B	NW383 Mafikeng	178 390	191 051 202 578
B	NW384 Ditsobotla	89 941	94 228 99 879
B	NW385 Ramotshere Moiloa	126 139	134 073 141 077
C	DC38 Ngaka Modiri Molema District Municipality	551 315	602 830 655 044
Total: Ngaka Modiri Molema Municipalities		1 128 358	1 214 038 1 299 722
B	NW392 Naledi	41 201	43 350 46 003
B	NW393 Mamusa	45 162	48 260 51 186
B	NW394 Greater Taung	164 554	174 128 181 984
B	NW396 Lekwa-Teemane	39 260	42 003 44 677
B	NW397 Kagisano-Molopo	99 646	104 763 109 346
C	DC39 Dr Ruth Segomotsi Mompati District Municipality	282 287	311 460 336 816
Total: Dr Ruth Segomotsi Mompati Municipalities		672 110	723 964 770 012
B	NW403 City of Matlosana	342 855	352 222 381 749
B	NW404 Maquassi Hills	94 022	98 632 104 790
B	NW405 NW405	187 990	210 644 232 712
C	DC40 Dr Kenneth Kaunda District Municipality	169 319	173 593 179 390
Total: Dr Kenneth Kaunda Municipalities		794 186	835 091 898 641
Total: North West Municipalities		4 515 390	4 895 818 5 273 795

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number Municipality			National Financial Year	
			Column A	Column B
			2016/17	Forward Estimates
				2017/18 2018/19
			R'000	R'000 R'000
WESTERN CAPE				
A	CPT	City of Cape Town	2 012 945	2 283 323 2 512 279
B	WC011	Matzikama	44 100	47 521 51 433
B	WC012	Cederberg	37 173	40 782 44 122
B	WC013	Bergrivier	33 341	37 095 40 634
B	WC014	Saldanha Bay	62 832	71 386 78 880
B	WC015	Swartland	59 275	69 364 77 708
C	DC1	West Coast District Municipality	82 194	84 904 87 900
Total: West Coast Municipalities			318 915	351 052 380 677
B	WC022	Witzenberg	59 734	66 184 72 400
B	WC023	Drakenstein	106 240	118 687 130 011
B	WC024	Stellenbosch	95 982	110 707 122 558
B	WC025	Breede Valley	88 524	97 573 106 043
B	WC026	Langeberg	60 461	64 381 69 413
C	DC2	Cape Winelands District Municipality	220 870	224 336 231 221
Total: Cape Winelands Municipalities			631 811	681 868 731 646
B	WC031	Theewaterskloof	69 861	76 742 83 058
B	WC032	Overstrand	72 950	83 030 91 433
B	WC033	Cape Agulhas	23 075	25 256 27 334
B	WC034	Swellendam	24 012	26 156 28 424
C	DC3	Overberg District Municipality	52 163	54 179 56 194
Total: Overberg Municipalities			242 061	265 363 286 443
B	WC041	Kannaland	22 940	23 893 25 178
B	WC042	Hessequa	34 558	37 736 40 850
B	WC043	Mossel Bay	70 874	79 267 86 544
B	WC044	George	109 872	122 075 134 007
B	WC045	Oudtshoorn	58 194	63 037 67 635
B	WC047	Bitou	64 235	74 567 83 036
B	WC048	Knysna	62 982	71 037 77 629
C	DC4	Eden District Municipality	142 094	146 043 150 876
Total: Eden Municipalities			565 749	617 655 665 755
B	WC051	Laingsburg	12 526	13 360 14 178
B	WC052	Prince Albert	16 192	17 634 18 923
B	WC053	Beaufort West	46 569	50 393 53 988
C	DC5	Central Karoo District Municipality	19 416	20 412 21 258
Total: Central Karoo Municipalities			94 703	101 799 108 347
Total: Western Cape Municipalities			3 866 184	4 301 060 4 685 147
National Total			52 568 706	57 012 141 61 731 845

SCHEDULE 4, PART A

ALLOCATIONS TO PROVINCES TO SUPPLEMENT THE FUNDING OF PROGRAMMES OR FUNCTIONS FUNDED FROM PROVINCIAL BUDGETS

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2016/17	Forward Estimates	2018/19
Basic Education (Vote 14)	Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation; to enhance capacity to deliver infrastructure in education; to address damage to infrastructure caused by natural disasters; to address achievement of the targets set out in the minimum norms and standards for school infrastructure.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000
				Free State	1 505 088	1 432 581	1 514 084
				Gauteng	695 122	661 635	699 276
				KwaZulu-Natal	1 385 737	1 318 980	1 394 020
				Limpopo	1 958 321	1 843 980	1 948 887
				Mpumalanga	830 532	810 523	856 634
				Northern Cape	788 153	750 184	792 863
				North West	486 538	463 100	489 446
				Western Cape	971 989	925 164	977 799
				Unallocated	992 212	944 413	998 143
				TOTAL	9 613 692	12 780 435	13 511 560
Health (Vote 16)	(a) Health Professions Training and Development Grant	Support provinces to fund service costs associated with clinical teaching and training of health science trainees on the public service platform.	Nationally assigned function to provinces	Eastern Cape	213 212	226 566	239 707
				Free State	156 189	165 971	175 597
				Gauteng	865 244	919 438	972 765
				KwaZulu-Natal	312 377	331 943	351 196
				Limpopo	123 960	131 724	139 364
				Mpumalanga	101 646	108 013	114 278
				Northern Cape	81 815	86 939	91 981
				North West	111 565	118 552	125 428
				Western Cape	510 716	542 703	574 180
				TOTAL	2 476 724	2 631 849	2 784 496
	(b) National Tertiary Services Grant	Ensure provision of tertiary health services for all South African citizens (including documented foreign nationals); to compensate tertiary facilities for the additional costs associated with provision of these services.	Nationally assigned function to provinces	Eastern Cape	838 458	890 973	942 650
				Free State	958 021	1 018 025	1 077 070
				Gauteng	3 727 048	3 960 484	4 190 192
				KwaZulu-Natal	1 596 286	1 696 266	1 794 649
				Limpopo	344 723	366 314	387 560
				Mpumalanga	103 597	110 086	116 471
				Northern Cape	318 661	338 620	358 260
				North West	253 096	268 948	284 547
				Western Cape	2 706 888	2 876 429	3 043 262
				TOTAL	10 846 778	11 526 145	12 194 661

SCHEDULE 4, PART A

ALLOCATIONS TO PROVINCES TO SUPPLEMENT THE FUNDING OF PROGRAMMES OR FUNCTIONS FUNDED FROM PROVINCIAL BUDGETS

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2016/17	2017/18	Forward Estimates	2018/19
Transport (Vote 35)	(a) Provincial Roads Maintenance Grant	To supplement provincial investments for routine, periodic and special maintenance; to ensure all roads are classified as per Road Infrastructure Strategic Framework For South Africa and the Technical Recommendations for Highways Road Classification and Access Management guidelines; to implement and maintain Road Asset Management Systems as per Technical Methods for Highways; to supplement provincial projects for the repair of roads and bridges damaged by declared natural disasters; to improve the state of the road network serving electricity generation infrastructure; to improve road safety with a special focus on pedestrian safety in rural areas.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	1 279 725	1 355 208	1 433 805	1 409 519
				Gauteng	1 258 030	1 332 239	531 383	562 207
				KwaZulu-Natal	501 784	2 038 952	2 157 227	1 114 955
				Limpopo	1 925 378	1 053 832	938 702	1 014 383
				Mpumalanga	995 109	887 286	971 989	930 698
				Northern Cape	1 638 865	958 766	879 671	1 002 183
				North West	905 359	918 698	797 629	11 535 668
				Western Cape	867 524	830 729	231 252	242 058
				Unallocated	-	-	255 669	267 617
Social Development (Vote 17)	(b) Public Transport Operations Grant	To provide supplementary funding towards public transport services provided by provincial departments of transport.	Nationally assigned function to provinces	TOTAL	10 202 503	10 753 664	2 155 063	2 255 767
				Eastern Cape	218 217	231 252	1 071 439	1 121 507
				Free State	241 257	255 669	345 610	361 761
				Gauteng	2 033 590	2 155 063	581 934	609 128
				KwaZulu-Natal	1 011 046	1 071 439	52 029	54 460
				Limpopo	326 129	345 610	106 954	111 952
				Mpumalanga	549 132	581 934	922 921	966 048
				Northern Cape	49 096	52 029	-	-
				North West	100 925	106 954	56 322	86 694
				Western Cape	870 900	922 921	19 863	30 670
Social Development (Vote 17)	Early Childhood Development Grant	To extend access to early childhood development to South Africa's children	General conditional allocation to provinces	TOTAL	5 400 292	5 722 871	5 990 298	493 065
				Eastern Cape	-	56 322	86 694	86 694
				Free State	-	19 863	30 670	30 670
				Gauteng	-	50 139	78 530	78 530
				KwaZulu-Natal	-	92 380	144 947	144 947
				Limpopo	-	46 765	72 008	72 008
				Mpumalanga	-	18 050	26 118	26 118
				Northern Cape	-	3 671	5 110	5 110
				North West	-	17 364	25 884	25 884
				Western Cape	-	15 274	23 104	23 104
Social Development (Vote 17)	Early Childhood Development Grant	To extend access to early childhood development to South Africa's children	General conditional allocation to provinces	Unallocated	-	-	-	-
				TOTAL	-	319 828	493 065	493 065

SCHEDULE 4, PART B

ALLOCATIONS TO MUNICIPALITIES TO SUPPLEMENT THE FUNDING OF FUNCTIONS FUNDED FROM MUNICIPAL BUDGETS

Vote	Name of allocation	Purpose	City	Column A	Column B	
				2016/17	Forward Estimates	
				2017/18	2018/19	
Human Settlements (Vote 38)	Urban Settlements Development Grant	Supplements the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.	Buffalo City	R'000	R'000	R'000
			City of Cape Town	731 499	774 202	813 335
			City of Johannesburg	1 423 504	1 506 605	1 582 760
			City of Tshwane	1 775 809	1 879 476	1 974 478
			Ekurhuleni	1 539 334	1 629 196	1 711 548
			eThekweni	1 890 352	2 000 706	2 101 836
			Mangaung	1 885 685	1 995 766	2 096 646
			Nelson Mandela Bay	725 003	767 326	806 113
			TOTAL	10 839 468	11 472 247	12 052 137
			Buffalo City	6 080	10 829	11 457
National Treasury (Vote 7)	Integrated City Development Grant	To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focussing their use of available infrastructure investment and regulatory instruments.	City of Cape Town	44 805	53 629	56 740
			City of Johannesburg	64 746	63 592	67 281
			City of Tshwane	42 652	41 892	44 322
			Ekurhuleni	38 078	45 577	48 221
			eThekweni	50 256	49 361	52 224
			Mangaung	10 912	10 718	11 339
			Nelson Mandela Bay	9 276	16 521	17 478
			TOTAL	266 805	292 119	309 062
			Buffalo City	6 080	10 829	11 457
			City of Cape Town	44 805	53 629	56 740

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2016/17	Forward Estimates	
					2017/18	2018/19	
Agriculture, Forestry and Fisheries (Vote 24)	(a) Comprehensive Agriculture Support Programme	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export; to address damage to infrastructure caused by floods.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	263 490	277 510	289 660
				Gauteng	174 289	189 769	200 701
				KwaZulu-Natal	85 079	93 063	98 568
				Limpopo	222 155	235 712	249 472
				Mpumalanga	260 576	272 194	286 616
				Northern Cape	172 414	177 885	185 098
				North West	128 364	135 020	141 857
				Western Cape	171 258	183 867	197 073
				Western Cape	164 199	173 720	184 602
				TOTAL	1 641 824	1 738 740	1 833 647
	(b) Ilima/Letsema Projects Grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production.	Conditional allocation	Eastern Cape	63 876	67 356	71 263
				Free State	59 447	63 178	66 843
				Gauteng	26 061	27 673	30 278
				KwaZulu-Natal	63 876	67 356	71 263
				Limpopo	63 876	67 356	71 263
				Mpumalanga	49 136	52 213	58 242
				Northern Cape	55 050	58 480	60 766
				North West	59 448	63 178	66 843
				Western Cape	50 593	55 349	55 662
				TOTAL	491 363	522 139	552 423
	(c) Land Care Programme Grant: Poverty Relief and Infrastructure Development	To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.	Conditional allocation	Eastern Cape	10 632	11 330	12 016
				Free State	5 506	5 851	6 190
				Gauteng	4 802	5 103	5 399
				KwaZulu-Natal	10 632	11 330	12 016
				Limpopo	10 438	11 092	11 736
				Mpumalanga	6 208	6 597	6 980
				Northern Cape	9 320	9 840	10 353
				North West	7 621	8 099	8 568
				Western Cape	4 106	4 362	4 615
				TOTAL	69 265	73 604	77 873

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2016/17	Forward Estimates	
					2017/18	2018/19	
Arts and Culture (Vote 37)	Community Library Services Grant	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	149 320	158 417	167 348
				Gauteng	157 758	161 329	170 430
				KwaZulu-Natal	163 339	174 740	184 619
				Limpopo	163 162	175 404	185 322
				Mpumalanga	115 295	123 495	130 405
				Northern Cape	155 289	165 087	174 404
				North West	152 313	165 312	174 642
				Western Cape	136 494	143 402	151 464
				TOTAL	1 357 132	1 440 760	1 522 020
Basic Education (Vote 14)	(a) HIV and AIDS (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by increasing sexual and reproductive health knowledge, skills and appropriate decision making among learners and educators; to mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators; to ensure the provision of a safe, rights-based environment in schools that is free of discrimination, stigma and any form of sexual harassment/abuse; to reduce the vulnerability of children to HIV, TB and sexually transmitted infections, with a particular focus on orphaned and vulnerable children.	Conditional allocation	Eastern Cape	39 591	41 936	44 368
				Free State	12 967	13 980	14 790
				Gauteng	32 449	34 436	36 433
				KwaZulu-Natal	53 096	56 115	59 369
				Limpopo	33 310	35 339	37 388
				Mpumalanga	18 798	20 102	21 267
				Northern Cape	5 281	5 547	5 874
				North West	16 629	17 825	18 858
				Western Cape	18 728	20 028	21 189
				TOTAL	230 849	245 308	259 536
	(b) Maths, Science and Technology Grant	To improve access, equity, efficiency and quality Mathematics, Science and Technology education in the country by providing support and resources to schools, teachers and learners for the improvement of Mathematics, Science and Technology teaching and learning at selected public schools.	Conditional allocation	Eastern Cape	46 898	48 907	51 744
				Free State	33 466	35 963	38 049
				Gauteng	49 810	53 493	56 596
				KwaZulu-Natal	62 453	63 883	67 587
				Limpopo	42 553	45 018	47 629
				Mpumalanga	41 639	41 978	44 413
				Northern Cape	23 030	25 858	27 358
				North West	34 754	37 606	39 787
				Western Cape	27 841	32 439	34 320
				TOTAL	362 444	385 145	407 483

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2016/17	Forward Estimates	
						2017/18	2018/19
Basic Education (Vote 14)	(c) National School Nutrition Programme Grant	To provide nutritious meals to targeted schools.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	1 074 182	1 127 891	1 193 309
				Gauteng	334 971	351 720	372 119
				KwaZulu-Natal	712 955	748 603	792 022
				Limpopo	1 355 247	1 423 009	1 505 544
				Mpumalanga	1 085 431	1 139 703	1 205 805
				Northern Cape	574 843	603 585	638 593
				North West	150 289	157 804	166 957
				Western Cape	402 789	422 928	447 458
				TOTAL	6 006 012	6 306 313	6 672 079
Health (Vote 16)	(a) Comprehensive HIV, AIDS and TB Grant	To enable the health sector to develop and implement an effective response to HIV and AIDS and TB; to support the national Department of Health with the President's Emergency Plan for AIDS Relief transition process	Conditional allocation	Eastern Cape	1 755 385	2 032 537	2 293 490
				Free State	1 015 061	1 171 502	1 304 022
				Gauteng	3 259 407	3 757 507	4 242 829
				KwaZulu-Natal	4 244 243	4 889 864	5 555 075
				Limpopo	1 176 489	1 363 125	1 616 878
				Mpumalanga	1 032 055	1 193 020	1 353 707
				Northern Cape	413 231	485 185	555 224
				North West	1 127 523	1 295 768	1 455 157
				Western Cape	1 267 209	1 471 825	1 655 490
				TOTAL	15 290 603	17 660 333	20 031 872
	(b) Health Facility Revitalisation Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including health technology, organisational development systems and quality assurance; to enhance capacity to deliver health infrastructure.	Conditional allocation	Eastern Cape	619 041	555 288	581 083
				Free State	474 692	485 128	502 319
				Gauteng	777 818	831 336	865 241
				KwaZulu-Natal	1 114 693	1 095 910	1 153 707
				Limpopo	379 089	440 114	461 262
				Mpumalanga	281 174	333 023	347 410
				Northern Cape	472 267	374 258	389 502
				North West	480 434	491 371	512 226
				Western Cape	673 472	582 424	608 921
				Unallocated	-	581 043	614 743
	(c) Human Papillomavirus Vaccine Grant	To enable the health sector to prevent cervical cancer by making available Human Papillomavirus vaccination for grade 4 school girls in all public and special schools.	Conditional allocation	TOTAL	5 272 680	5 769 895	6 036 414
				Eastern Cape	-	-	33 471
				Free State	-	-	11 608
				Gauteng	-	-	27 312
				KwaZulu-Natal	-	-	44 976
				Limpopo	-	-	27 471
				Mpumalanga	-	-	17 665
				Northern Cape	-	-	4 634
				North West	-	-	13 264
				Western Cape	-	-	19 599
				TOTAL	-	-	200 000

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2016/17	2017/18	Forward Estimates
Health (Vote 16)	(d) National Health Insurance Grant	Test innovations in health service delivery and provision for implementing NHI, allowing for each district to interpret and design innovations relevant to its specific context, in line with the vision for realising universal health coverage for all; to undertake health system strengthening activities in identified focus and priority areas; to assess the effectiveness of interventions/activities undertaken in the districts funded through this grant.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	7 546	-	-
				Gauteng	7 543	-	-
				KwaZulu-Natal	7 543	-	-
				Limpopo	15 083	-	-
				Mpumalanga	7 543	-	-
				Northern Cape	7 546	-	-
				North West	7 543	-	-
				Western Cape	17 337	-	-
				TOTAL	85 227	-	-
Human Settlements (Vote 38)	Human Settlements Development Grant	To provide funding for the creation of sustainable and integrated human settlements.	Conditional allocation	Eastern Cape	1 991 457	2 460 660	2 477 121
				Free State	1 098 411	1 226 608	1 306 077
				Gauteng	5 022 669	5 967 208	6 353 813
				KwaZulu-Natal	3 124 702	3 843 228	4 092 224
				Limpopo	1 208 370	1 368 289	1 456 938
				Mpumalanga	1 314 645	1 394 636	1 484 992
				Northern Cape	371 109	412 682	439 419
				North West	2 151 817	1 926 133	2 050 923
				Western Cape	2 000 811	2 460 899	2 620 336
				TOTAL	18 283 991	21 060 343	22 281 843
Public Works (Vote 11)	(a) Expanded Public Works Programme Integrated Grant for Provinces	To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings, low traffic volume roads and rural roads, other economic and social infrastructure, tourism and cultural industries, sustainable land based livelihoods and waste management.	Conditional allocation	Eastern Cape	77 370	-	-
				Free State	25 641	-	-
				Gauteng	32 820	-	-
				KwaZulu-Natal	104 066	-	-
				Limpopo	18 745	-	-
				Mpumalanga	42 855	-	-
				Northern Cape	17 876	-	-
				North West	51 021	-	-
				Western Cape	31 615	-	-
				Unallocated	-	423 802	448 383
				TOTAL	402 009	423 802	448 383

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2016/17	Forward Estimates	
					2017/18	2018/19	
Public Works (Vote 11)	(b) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments, identified in the 2015 social sector Expanded Public Works Programme log-frame to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	21 460	-	-
				Gauteng	21 979	-	-
				KwaZulu-Natal	49 969	-	-
				Limpopo	61 553	-	-
				Mpumalanga	36 802	-	-
				Northern Cape	59 554	-	-
				North West	26 769	-	-
				Western Cape	42 053	-	-
				Unallocated	39 523	-	-
Social Development (Vote 17)	Substance Abuse Treatment Grant	To provide funding for the construction of substance dependency treatment facilities in the provinces of Eastern Cape, Free State, Northern Cape and North West.	Conditional allocation	TOTAL	359 662	385 583	407 948
				Eastern Cape	-	14 236	17 708
				Free State	42 500	14 238	17 709
				Gauteng	-	-	-
				KwaZulu-Natal	-	-	-
				Limpopo	-	-	-
				Mpumalanga	-	-	-
				Northern Cape	43 000	14 238	17 708
				North West	-	14 238	17 708
				Western Cape	-	-	-
Sport and Recreation South Africa (Vote 40)	Mass Participation and Sport Development Grant	To facilitate sport and recreation participation and empowerment in partnership with relevant stakeholders.	Conditional allocation	TOTAL	85 500	56 950	70 833
				Eastern Cape	68 347	71 923	75 901
				Free State	43 019	45 538	48 131
				Gauteng	101 084	106 954	113 031
				KwaZulu-Natal	90 785	95 778	101 143
				Limpopo	61 075	62 246	65 200
				Mpumalanga	49 043	52 237	55 155
				Northern Cape	33 642	35 750	37 824
				North West	46 514	49 377	52 195
				Western Cape	62 199	66 025	69 806
Sport and Recreation South Africa (Vote 40)	Mass Participation and Sport Development Grant	To facilitate sport and recreation participation and empowerment in partnership with relevant stakeholders.	Conditional allocation	TOTAL	555 708	585 828	618 386

SCHEDULE 5, PART B
SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2016/17	Forward Estimates	
			R'000	2017/18	2018/19
			R'000	R'000	R'000
RECURRENT GRANTS					
Cooperative Governance and Traditional Affairs (Vote 4)	Municipal Demarcation Transition Grant	To subsidise the additional institutional and administrative costs arising from major boundary changes due to come into effect at the time of the 2016 local government elections.	297 422	111 856	52 900
	Energy Efficiency and Demand Side Management Grant	To provide subsidies to municipalities to implement Energy Efficiency and Demand Side Management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.	185 625	203 236	215 024
Energy (Vote 26)	(a) Infrastructure Skills Development Grant	To recruit unemployed graduates into municipalities to be trained as per the requirements of the relevant statutory councils within the built environment.	130 471	140 774	148 939
	(b) Local Government Financial Management Grant	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.	465 264	502 006	531 122
Public Works (Vote 11)	Expanded Public Works Programme Integrated Grant for Municipalities	To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme Guidelines: road maintenance and the maintenance of buildings, low traffic volume roads and rural roads, basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure), other economic and social infrastructure, tourism and cultural industries, waste management, parks and beautification, sustainable land-based livelihoods, social services programmes and community safety programmes.	663 991	716 427	757 979
TOTAL			1 742 773	1 674 299	1 705 964

SCHEDULE 5, PART B
SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2016/17	Forward Estimates	
				2017/18	2018/19
			R'000	R'000	R'000
INFRASTRUCTURE GRANTS					
Cooperative Governance and Traditional Affairs (Vote 4)	(a) Municipal Disaster Recovery Grant	To rehabilitate and reconstruct municipal infrastructure damaged by a disaster.	140 000	-	-
	(b) Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.	14 914 028	15 991 252	16 893 685
	(c) Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act, the Municipal Property Rates Act and related legislation.	-	-	-
Energy (Vote 26)	Integrated National Electrification Programme (Municipal) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure.	1 946 246	2 087 048	2 204 477
National Treasury (Vote 7)	Neighbourhood Development Partnership Grant	To plan, catalyse and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life and the levels of access to opportunity for residents in South Africa 's under-served neighbourhoods, generally townships.	624 000	663 390	701 867
Transport (Vote 35)	(a) Public Transport Network Grant	To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services.	5 592 691	6 359 895	6 793 269
	(b) Rural Roads Asset Management Systems Grant	To assist rural district municipalities to set up rural Roads Asset Management Systems, and collect road, bridge and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa.	101 514	107 309	113 533
Water and Sanitation (Vote 36)	(a) Water Services Infrastructure Grant	To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities; provide interim, intermediate water and sanitation services that ensure provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of boreholes and on-site solutions; to support drought relief projects in affected municipalities.	2 844 982	3 729 864	3 959 056
	(b) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing infrastructure that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to develop new, refurbish, upgrade and replace ageing waste water infrastructure of regional significance; to pilot regional Water Conservation and Water Demand Management projects or facilitate and contribute to the implementation of local Water Conservation and Water Demand Management projects that will directly impact on bulk infrastructure requirements.	1 850 000	1 865 000	2 060 000
TOTAL			28 013 461	30 803 758	32 725 887

SCHEDULE 6, PART A
ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2016/17	Forward Estimates	
				2017/18	2018/19
			R'000	R'000	R'000
Basic Education (Vote 14)	School Infrastructure Backlogs Grant	Eradication of all inappropriate school infrastructure; provision of water, sanitation and electricity to schools.	2 374 867	-	-
Health (Vote 16)	National Health Insurance Indirect Grant	To address capacity constraints in the provinces and to create an alternate track to speed up infrastructure delivery; to develop and pilot innovative models for purchasing services from health practitioners and other service providers in National Health Insurance pilot districts; to improve spending, performance, monitoring and evaluation on National Health Insurance pilots and infrastructure projects; to fund the introduction of the Human Papillomavirus vaccination programme in schools; to enable the health sector to address deficiencies in the primary health care facilities systematically to yield big fast results; to fund development and roll-out of new health information systems in preparation for National Health Insurance	1 261 230	1 663 037	1 764 859
		TOTAL	3 636 097	1 663 037	1 764 859

SCHEDULE 6, PART B
ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2016/17	Forward Estimates	
				2017/18	2018/19
			R'000	R'000	R'000
Cooperative Governance and Traditional Affairs (Vote 4)	(a) Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.	-	-	-
	(b) Municipal Demarcation Transition Grant	To subsidise the additional institutional and administrative costs arising from major boundary changes due to come into effect at the time of the 2016 local government elections.	-	-	-
	(c) Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act, the Municipal Property Rates Act and related legislation.	84 349	103 249	115 116
Energy (Vote 26)	Integrated National Electrification Programme (Eskom) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply in Eskom licenced areas.	3 526 334	3 876 154	3 995 031
National Treasury (Vote 7)	Neighbourhood Development Partnership Grant	To plan, catalyse and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships.	22 209	27 744	29 353
Water and Sanitation (Vote 36)	(a) Bucket Eradication Programme Grant	To provide funding for the eradication of bucket sanitation in formal areas.	350 000	-	-
	(b) Water Services Infrastructure Grant	To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities; provide interim, intermediate water and sanitation services that ensure provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of boreholes and on-site solutions; to support drought relief projects in affected municipalities.	311 545	587 122	608 175
	(c) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing infrastructure that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to develop new, refurbish, upgrade and replace ageing waste water infrastructure of regional significance; to pilot regional Water Conservation and Water Demand Management projects or facilitate and contribute to the implementation of local Water Conservation and Water Demand Management projects that will directly impact on bulk infrastructure requirements.	3 478 829	2 806 279	2 931 443
TOTAL			7 773 266	7 400 548	7 679 118

SCHEDULE 7, PART A

UNALLOCATED PROVISIONS FOR PROVINCES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Column A	Column B	
			2016/17	Forward Estimates	
				2017/18	2018/19
Cooperative Governance and Traditional Affairs (Vote 4)	Provincial Disaster Grant	To provide for the immediate release of funds for disaster response.	R'000	R'000	R'000
			111 545	123 432	130 591
			TOTAL		

SCHEDULE 7 PART B

UNALLOCATED PROVISIONS FOR MUNICIPALITIES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Column A	Column B	
			2016/17	Forward Estimates	
				2017/18	2018/19
Cooperative Governance and Traditional Affairs (Vote 4)	Municipal Disaster Grant	To provide for the immediate release of funds for disaster response.	R'000	R'000	R'000
			269 922	300 281	317 697
			TOTAL		